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AUTHOR	Isbell, Kellie; Trutko, John W.; Barnow, Burt S.; Nightengale, Demetra; Pindus, Nancy
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ABSTRACT

This document contains in-depth descriptions and assessments of 17 exemplary employer-based training (EBT) programs that were studied as part of an examination of EBT programs. The case studies are based on site visits to each firm, during which interviews were conducted with company management, supervisors of workers in training, individuals providing instruction, and workers receiving training. The case study summaries describe specific aspects of each EBT program, including what kind of training is offered, the training curriculum, the cost of the training, and the outcomes of training. The case studies are organized into two sections: The first section focuses on companies that partnered with Job Training Partnership Act (JTPA) funding to providing training for new workers, and the second section focuses on companies that do not partner with JTPA and provided privately financed training for incumbent workers. The following companies are included in the case studies: C.B. Baird (Milwaukee, WI); Harrington Hospital (Southbridge, MA); NeighborCare Pharmacies (Baltimore, MD); Pacific NW Federal Credit Union (Portland, OR); Pep Boys Corporation (Los Angeles, CA); Solectron (San Jose, CA); TempsPlus/Staffing Solutions (Cleveland, OH); Wisconsin Electrical Power Company (Milwaukee, WI); Yuma Elementary School District (Yuma, AZ); The Boeing Company (Seattle, WA); Elgar Corporation (San Diego, CA); Financial Partners (Springfield, MA); Goodwin Home Retirement Community (Falls Church, VA); GR Spring and Stamping (Grand Rapids, MI); Lucas Aerospace (Jamestown, ND); TMI Systems Design Corporation (Dickinson, ND); and Unisys (Bismarck, ND). (KC)

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Involving Employers in Training: Case Studies

Research and Evaluation Report Series 97-J

U.S. Department of Labor
Alexis M. Herman, Secretary

Employment and Training Administration
Raymond J. Uhalde, Acting Assistant Secretary

Office of Policy and Research
Gerard F. Fiala, Administrator

1997

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BACKGROUND ON THE REPORT AND ITS PREPARATION

This report was prepared in support of the U.S. Department of Labor's (DOL) efforts to disseminate information about effective strategies and practices for training and retraining the American workforce. This report provides case studies of 17 U.S. companies sponsoring employer-based training (EBT) programs. Nine of these EBT programs were established and operated by firms in partnership with the Job Training Partnership Act (JTPA) system. The other eight EBT programs were not affiliated with JTPA and were mostly privately-funded by the companies sponsoring the training. A report synthesizing findings across these 17 case studies is available through the U.S. Department of Labor in a separately bound report, entitled *Involving Employers in Training: Best Practices.*

The report was prepared under the direction of the Department of Labor's Employment and Training Administration (DOL/ETA), by James Bell Associates, Inc. (JBA). The authors are Kellie Isbell and John W. Trutko (of JBA); Burt S. Barnow (of the Institute for Policy Studies at The Johns Hopkins University); and Demetra Nightengale and Nancy Pindus (of The Urban Institute). The report was prepared under Department of Labor Contract Number F-4965-5-00-80-30 (Task Order #1).

ACKNOWLEDGMENTS

This report was prepared under the direction of the Employment and Training Administration, U.S. Department of Labor. Bonnie Naradzay served as the DOL Project Officer, providing valuable oversight and guidance throughout the study period and during preparation of this report. We want to thank the companies who were very generous in providing our researchers with the opportunity to visit and learn about their exemplary training programs. We would like to thank all of the administrators and workers at the companies studied, as well as trainers, JTPA and other government officials, and other interviewees for taking time out of their busy schedules to discuss what they have learned about operating high quality and effective employer-based training programs.

The Authors

LIST OF ABBREVIATIONS

AFDC	Aid to Families with Dependent Children
BLS	Bureau of Labor Statistics
DOL	U.S. Department of Labor
ETA	Employment and Training Administration (of the Department of Labor)
JOBS	Job Opportunities and Basic Skills (a job training program for AFDC participants)
JTPA	Job Training Partnership Act
PIC	Private Industry Council
OJT	On-the-Job Training
SDA	Service Delivery Area

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INVOLVING EMPLOYERS IN TRAINING: CASE STUDIES

I. INTRODUCTION

U.S. firms are facing pressures to increase productivity and quality of goods/services to be competitive within an increasingly global economy.

The workplace is changing. Technological advances, globalization, intense competitive pressures within the marketplace, and corporate restructuring have changed the ways in which U.S. firms produce and market their goods and services. For example, within an increasingly complex and international marketplace, there is a growing emphasis within American firms on increasing worker productivity, cutting production costs, and on-time delivery of the highest quality goods and services. Firms are increasingly emphasizing responsive customer service at every level of the organization -- from the factory worker to the company president.

Firms need to invest in their workforce through job-specific and basic skills training to enhance worker productivity.

To both maintain and expand their position within the marketplace, firms are increasingly focusing not only on the types of investments needed for capital equipment and facilities, but also the types of investments in human capital (i.e., their workforce) required to enhance productivity and competitiveness. For example, with the introduction of new computerized technologies and production processes, manufacturing firms are finding it necessary to make investments in job-specific training of management and line personnel (e.g., on how to use new equipment and processes). In some instances, firms have found that as skills and competencies required within the workplace have become more demanding, it is also necessary to address basic skills deficiencies through more generalized training, often before job-specific skills training can be effectively provided.

Firms need to become actively involved in customizing training to the needs of their workforce and product process.

As production processes become more complex and require higher levels of basic and job-related competencies, firms are becoming more actively involved in structuring the types of training their workforce receives. Often the type and amount of training needed to enhance worker productivity are specific to the type of equipment or process used by the employer. Hence, employers are finding that it is essential to first analyze the education and training needs of their workforce and then to tailor the types of training provided to the specific needs of both workers and the work in which

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they are involved. Firms need to have a clear voice in the structure of training provided for their workforce so that scarce training resources are not wasted and workers emerge from training with the skills/competencies needed to be fully productive.

Workers -- those new to the workforce and those who have been in the workforce many years -- benefit from training and need to continually upgrade their skills.

In an economy that is in transition, the American worker is also finding that investing in education and job-related skills provides the best opportunity for obtaining and keeping higher paying, long-term jobs. Young people and other first-time job seekers must have the basic education and work-related skills needed to gain a foothold in the job market and, over time, to hold onto and progress to better paying jobs. Those already within the workforce need to continually upgrade their skills to keep up with changes in technology and to advance within their careers. Few workers can expect to stay with a single firm throughout their work life.

The most effective training is that which takes place on the job or in a job-like setting.

Current research shows that training is most effective when it takes place on the job or in a job-like setting and that the more training is linked to work, the better the result. Training received from an employer is also considerably more likely to be used on the job than is training obtained at a school. Basic skills are often easier to learn when they are integrated into a training program that is specific to the context of a particular job. Employer-provided training may also have more motivated trainees, more effective tutorial learning methods, and more appropriate materials and equipment.

II. STUDY SCOPE AND METHODOLOGY

This study assesses the experiences of 17 exemplary EBT programs -- nine involving partnering with JTPA.

While considerable research has been conducted on worker training in recent years, many gaps remain in our knowledge about training, particularly relating to effective methods for structuring training and the returns on investments in training for firms and workers. This study -- funded by the Employment and Training Administration in the U.S. Department of Labor (DOL) -- assesses 17 exemplary employer-based training (EBT) programs. This report, *Involving Employers in Training: Case Studies*, provides

in-depth descriptions and assessments of the 17 EBT programs that were the focus of this study. Two other related reports have also be developed:

- *Involving Employers in Training: Best Practices* assesses and synthesizes findings across the 17 EBT programs studied and provides recommendations on effective strategies for implementing EBT programs.

- *Involving Employers in Training: Literature Review* synthesizes findings from the literature on EBT programs.

An important focus of each of these reports is on the customization of training programs to meet the needs of both firms and workers. Nine of the EBT programs analyzed involved partnerships between a company and Job Training Partnership Act (JTPA) programs to provide customized training for new hires to the firm. The other eight programs did not collaborate with JTPA on their EBT programs. These eight EBT programs, mostly privately-financed through the company's working capital, were primarily focused on upgrading the skills and competencies of the company's existing workforce.

Study results are based on a review of EBT literature and case studies of 17 exemplary EBT sites.

The study utilized two primary methodologies: a review of the research literature on employer-based training and 17 case studies of selected companies sponsoring exemplary EBT programs. The review of the literature provides a summary of both theoretical and empirical research findings on employer-based training. For example, the literature review assessed various definitions of EBT and theories about why employers invest in training, as well as summarized the extent and characteristics of EBT programs in the United States.

Case studies of firms sponsoring EBT programs are based on site visits to each firm, during which interviews were conducted with company management, supervisors of workers in training, individuals providing instruction (including instructors at vocational training institutions), and workers receiving training. In cases where JTPA partnered

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with the company, interviews were conducted with relevant agency administrators.

Nominations of companies with exemplary EBT programs were solicited from DOL regional offices, local JTPA Service Delivery Areas, national organizations involved in employment and training issues, and EBT experts around the country. The 17 companies chosen to participate in the study were selected based on a range of criteria, including industry and occupations being trained, characteristics of workers being trained, structure of and types of training being provided, and sources used in financing the training (e.g., JTPA financing versus private financing). Readers should note that the companies selected are examples of employer-based training programs; they are not necessarily the best training programs available. In addition, the sample of those firms chosen was relatively small (17 firms) and was not randomly selected; hence, it is not possible to make statistically valid generalizations to all firms. Exhibit 1 provides an overview of the case study companies and their training programs.

The case study summaries provided in this report describe specific aspects of each EBT program, including what kind of training is offered, the training curriculum, the cost of the training, and the outcomes of training. The case studies are organized into two sections: the first section focuses on companies that partnered with JTPA to provide training for new workers, and the second section focuses on companies that did <u>not</u> partner with JTPA, and generally, provided privately-financed training for incumbent workers.

EXHIBIT 1: SELECTED CASE STUDY COMPANY CHARACTERISTICS

Company	Location	Industry	Sector	Size of Company*	Description of Training Program
JTPA-FUNDED					
C.B. Baird	Milwaukee, WI	Manufacturing	For-profit	M	JTPA-funded training in printing, binding, and mounting. Graphics Art Institute provides the training.
Harrington Hospital	Southbridge, MA	Health Care	Non-profit	M	Harrington Hospital trains JTPA participants to be home health care aides through classroom and on-the-job training using hospital staff.
NeighborCare Pharmacies	Baltimore, MD	Health care/ retail sales	For-profit	L	JTPA-funded training for pharmacy technicians. Training provided by local community college. Training is customized to needs of the employer and focuses on recruiting and training new workers.
Pacific NW Federal Credit Union	Portland, OR	Banking	Non-profit	S	JTPA-funded training for member services representatives for a consortium of 5 credit unions in Portland. Trainees are all Older Workers (over 55). Training provided by Goodwill Industries.
Pep Boys Corporation	Los Angeles, CA	Retail sales	For-profit	L	JTPA-funded training for cashiers, customer service representatives, and sales representatives. Trainees are hired from local communities in which new Pep Boys stores are opened. The Urban League's Automotive Training Center provides the training.
Solectron	San Jose, CA	Manufacturing	For-profit	L	JTPA-funded training in the field of surface mount/pin-through-hole assembly for electronics manufacturing. The Center for Training and Careers provides the training.

EXHIBIT 1: SELECTED CASE STUDY COMPANY CHARACTERISTICS

Company	Location	Industry	Sector	Size of Company[a]	Description of Training Program
TempsPlus/ Staffing Solutions	Cleveland, OH	Temporary services	For-profit	M	JOBS and JTPA-funded training for PC specialists. Training provided by TempsPlus sister company, JPC Learning Centers.
Wisconsin Electrical Power Company	Milwaukee, WI	Utility	Public	L	JTPA-funded training for entry-level line mechanics in Milwaukee area. Program intended to increase employee diversity and retention. Milwaukee Area Technical College provides the training.
Yuma Elementary School District	Yuma, AZ	Transportation	Public	S	JTPA-funded training for school bus drivers. School district provides the training and curriculum development; trainees receive commercial drivers' licenses at the end of training.
NON-JTPA FUNDED					
The Boeing Company	Seattle, WA	Manufacturing	For-profit	L	The Quality Through Training Program provides tuition reimbursement and training to union employees. Training includes basic skills training in an on-site computer lab and technical skills training.
Elgar Corporation	San Diego, CA	Manufacturing	For-profit	M	Training funded by California's Employment Training Panel Program. Retraining provided for 2/3 of existing workforce to upgrade skills.
Financial Partners	Springfield, MA	Banking	For-profit	M	Training for new and existing bank employees by separate division set up to handle business services and training.
Goodwin House Retirement Community	Falls Church, VA	Health Care	Non-profit	L	English as a Second Language training provided by a local workplace literacy provider (17 languages spoken by employees).

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EXHIBIT 1: SELECTED CASE STUDY COMPANY CHARACTERISTICS

Company	Location	Industry	Sector	Size of Company*	Description of Training Program
GR Spring and Stamping	Grand Rapids, MI	Manufacturing	For-profit	M	Extensive orientation and on-the-job training for new employees plus mandatory Lifelong Learning seminars every 2 weeks for all employees.
Lucas Aerospace	Jamestown, ND	Manufacturing	For-profit	M	On-the-job training as well as classroom training provided by in-house experts and contracted out to a local vocational school. Tuition reimbursement program with no annual limits.
TMI	Dickinson, ND	Manufacturing	For-profit	M	On-the-job training, cross training, and tuition reimbursement program. Travel for employees to foreign countries and other states to learn new manufacturing techniques.
Unisys	Bismarck, ND	Financial services	For-profit	M	Hired all new employees for new business center in Bismarck. Also extensive team building training to institute high performance team-based workplace.

*Note: Size of Company is classified as S, M, or L -- small, medium, or large. Small firms have 100 or fewer employees, medium firms have 101-500 employees, and large firms have more than 500 employees. Firms are classified according to the size of the establishment we visited. For example, the Bismarck Shared Services Center of Unisys had about 150 employees, making it a medium-sized firm. Unisys Corporation, however, is a multinational company with thousands of employees worldwide.

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III. CASE STUDIES OF JTPA-FUNDED EMPLOYER-BASED TRAINING PROGRAMS

C.B. BAIRD

C.D. BAIRD AND COMPANY

Summary

C.D. Baird and Company manufactures temporary point-of-purchase displays for the printing industry in West Allis, Wisconsin. C.D. Baird serves as an anchor company for a JTPA customized training that trains entry-level employees in printing and binding skills. The training is provided by the Graphic Arts Institute, a union-sponsored technical school. C.D. Baird serves as anchor company to the training class, has input into the curriculum, and interviews and hires training graduates. The company has not made a firm commitment to hire trainees, but believes it will hire most or all of the successful graduates of the program.

Description of the Company

C.D. Baird, an 80 year old printing company, makes temporary point-of-purchase displays, such as 3-D movie advertisements, promotional product displays, and other items including drink coasters with advertisements. The company binds and mounts printed material and uses subcontractors to print the material.

C.D. Baird's plant is located in West Allis, a suburb of Milwaukee, and is the largest manufacturer in the West Allis area. In the past few years, the company has grown from 200 employees to more than 400. However, the company experiences a high turnover rate with approximately 250 persons leaving the company each year and is in constant need of new, skilled employees.

Although the plant does not utilize many computer operated machines, employees must have the technical skills to operate the binding and mounting machines; these skills include a knowledge of the machine operation and math (being able to read a ruler and make precise measurements, for example).

Purpose of the Training Program

C.D. Baird has a high rate of employee turnover and needs to hire new entry-level employees each year. On-the-job training, however, for unskilled workers takes three to four years. The training program provides workers with the needed skills in a much shorter time frame.

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Description of the Training Program

C.D. Baird and Company serves as the anchor company for a JTPA-sponsored printing and binding training program. As anchor company, C.D. Baird lends its name and prestige to the training program and has first choice to hire training graduates. JTPA uses the name recognition of the anchor company to find jobs for graduates not hired by the anchor company. In 1996, C.D. Baird became the anchor company for the printing training program (and, in previous years, hired graduates of the program when another company served as the anchor).

As anchor company, C.D. Baird interviews applicants for the training program and, in conjunction with the training provider, selects those JTPA participants they believe will be good trainees and good employees. The current training program (still in progress at the time of the site visit) is the first for which Baird has served as anchor company. Baird interviewed 50-60 applicants and selected 24. Twenty applicants began the training, and 18 are still in training. The company does not make a formal commitment to hire trainees, though, because of its constant need for new skilled employees, Baird anticipates hiring most of the successful trainees.

Trainees are given a more intensive, final interview during the last week of training and a tour of the plant. The tour of the plant serves to let the trainees see where they might be working and get an idea of the type of work they will be doing.

In 1995, the training program operated with another company serving as anchor. Ten participants began the training and all completed the program (nine women and one man). Baird hired eight of the 10 graduates; five were still employed with the company a year later (two were fired for attendance problems and one left for another job).

The training is conducted by the Milwaukee Graphic Arts Institute (MGAI), a local union-sponsored industry technical school. Although MGAI has primary responsibility for curriculum development, Baird, as anchor company, makes suggestions for changes in the curriculum to customize it to meet its needs for trained employees. Classes are held at MGAI and include both classroom instruction and practical, hands-on experience.

Trainees from the Graphics Arts Institute program begin work at Baird at $7.00 per hour -- $2.00 per hour more than other entry-level workers. Raises at the company are based on merit rather than annual cost-of-living increases, and one trainee increased his wages to $8.80 in less than a year. Trainees receive full benefits after a 90 day probation period.

Fees and Costs

The PIC pays the full cost of the course -- about $53,000 for the two courses currently operating (or, $2,650 per participant). The PIC refers both JTPA Title II-A and JOBS

participants to the training and uses funds from both programs to pay participants' tuition. When applicable, the PIC dual enrolls participants (JOBS participants are eligible for child care and transportation assistance). Materials and equipment are provided by MGAI and companies affiliated with the Institute.

The Training Provider

The 24 year old Milwaukee Graphics Arts Institute is a training institute jointly sponsored by printing industry management and unions. The Institute is known throughout the Milwaukee area as producing quality graduates and has a state-of-the-art facility supported by tuition, member company contributions, and donations of materials and equipment by companies anxious to advertise their products and by companies replacing older equipment. The state-of-the-art equipment allows students to learn printing production methods "hands-on."

The Institute is a union training institute, and union companies are members of the institute. As members, they make annual member contributions and receive lower tuition charges for their employees. Other companies can send employees to the Institute, but they pay the full tuition rate. About 80 percent of the Institute's students are from member companies. Courses at the Institute are open to all persons, but priority is given to employees of member companies. About 240 students take courses each semester, and 80 percent are employed full-time with local printing companies.

General courses provided by the Institute include: Survey of Lithography, Introduction to MacIntosh, desktop publishing software programs, digital imaging and scanning, platemaking, offset press, theory of light and color, math for the graphic arts, and binding and finishing.

The school guarantees jobs to its students because so many printing companies in the area are in need of skilled machine operators.

Curriculum

The C.D. Baird and JTPA training is a 12-week, 240 hour course focusing on an introduction to the printing industry. When Baird became the anchor company for the course, the company requested that the curriculum include more instruction in math and binding and finishing work. A math class was added that was very popular with the students and included topics such as measuring and using a ruler. Baird also requested that the course include less computer instruction because the company does not use many computers in production.

The course curriculum includes:

- history of printing,

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- printing processes (letter press, lithography, flexographic, rotogravure, and screen printing),
- safety,
- paste-up and design,
- process camera photography and film assembly/stripping,
- theory of light and color,
- desktop publishing,
- paper and ink making,
- plate making, and
- press operations.

Participant Recruiting

Participants for the customized printing training program are recruited by the PIC through its regular JTPA and JOBS recruitment efforts. Interested persons can apply for JTPA at one of Wisconsin's four job centers. After a two-week assessment and orientation process, persons interested in the printing training program are referred to the anchor company and MGAI for an interview and orientation. Only persons selected by the anchor company (Baird) and MGAI can enter the training program.

The one-day orientation is presented by MGAI, C.D. Baird, and the PIC and includes a discussion of the requirements participants must meet to enter the printing training program:

- have a high school diploma or GED,
- undergo a background check,
- pass an assessment test,
- pass a drug screening, and
- be JTPA or JOBS eligible.

Outcomes of the Training

Although the first training class for which Baird served as anchor company was not completed at the time of the site visit, Baird had hired trainees from a previous class. Of the eight persons hired, five were still employed with Baird after one year (a 63 percent retention rate). Supervisors of the trainees believed that trainees were well-prepared for their jobs and that their work attitudes were much better than those of persons hired off the street or from other training programs.

An unexpected outcome of the training was its effect on existing employees. At first, employees (especially those who had begun work at Baird making the entry-level wage of $5.00 per hour) were resentful of the newly hired trainees and their $7.00 per hour pay rate. However, because the trainees were motivated to learn more and advance on the production floor, they quickly received merit raises; these raises and the initiative shown by the new trainees inspired existing workers to show similar initiative to earn merit raises.

Conclusion

The JTPA training program allowed Baird to hire well-trained entry level workers at a low cost to the company. The 12-week training program provided skills to the students that would take them three to five years to pick up on the job.

The company also noted that hiring trainees at $7.00 per hour was more cost-effective than hiring others at the normal starting wage of $5.00 per hour and spending several years training them on the job.

While JTPA believed there to be a firm hiring commitment on the part of C.D. Baird, the company was adamant that it had made no such commitment. The company seemed reticent to commit itself but willing to hire most or all of the trainees and to lend its name to the training program. The company was also very proud of the trainees and their accomplishments on the job.

Contact:
C.D. Baird and Company
5325 W. Rogers Street
West Allis, Wisconsin 53219
414-645-0340

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HARRINGTON HOSPITAL

HARRINGTON MEMORIAL HOSPITAL

Summary

The Home Health Aide Training Program in Southbridge, Massachusetts is a seven week course developed jointly by the MacKinnon Training Center, a local JTPA grantee (primarily as an intake center), and Harrington Memorial Hospital. The program began in July 1995. The Executive Director of MacKinnon had conducted a local area assessment of the labor market and employer labor needs. He confirmed that the health care sector was expected to continue to grow, met with representatives of several area hospitals, and determined that there was an unmet need for workers in the home health care occupations. Using the state's Allied Health Program training curriculum, obtained through the Massachusetts Council for Home Care Aide Services, he submitted a proposal to the Regional Employment Board (JTPA administrator) and received a contract to serve 40 persons in 1995 and 40 in 1996 (six cycles a year, with between six and 10 trainees per cycle).

The funding is split about evenly between JTPA and JOBS, with additional in-kind contributions from Harrington Memorial Hospital. Harrington's Home Care Division helped develop the program, which consists of five weeks of classroom instruction and two weeks of clinical training provided on-site at the Hospital. All trainees must pass the Massachusetts Home Health Care Competency Examination to receive state certification. About 90 percent of trainees who complete the program are employed at entry wages ranging from $7 to $10 an hour.

Description of the Company

The health industry is continuing to experience rapid growth throughout Massachusetts. Southbridge is located about 20 miles south of Worcester, a hub of the health sector in the central part of the state. There are many hospitals within a radius of 40 miles of Southbridge, but Harrington Memorial Hospital is one of the largest. The Executive Director of MacKinnon met with representatives of the employer community, including those affiliated with a number of hospitals. The Vice President of Nursing and the Coordinator of the Home Health Care Division at Harrington volunteered to help develop the program.

The hospitals' (Harrington and others) interest stemmed from a continuous need for home health aides. Harrington, for example, started its Home Health Care Division in 1988 with 8 aides; by 1996, it had 54 aides who work directly for the hospital. The demand has grown statewide.

Within Harrington Memorial Hospital, the Vice President for Nursing oversees all

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nursing activities, reviews all policy and procedures, and oversees all mandatory health-related education provided to hospital staff, such as those related to OSHA regulations, those associated with certain mandatory state certification programs, in-service training, and customer service training. The hospital collaborates on other health training, including an LPN course offered through the Worcester Technical Institute and a high school vocational program. The home health aide training, though, is the first time the hospital has been involved in a JTPA-funded training course (although some JTPA participants may be in the LPN and high school training). Since several courses with which Harrington is involved require a clinical component, the V.P. of Nursing is responsible for coordinating and overseeing the various clinical training activities. The clinical training is conducted on site at the main campus of the hospital, under the supervision of the Nursing Division.

The Home Health Aides section at Harrington is organizationally within the Home Care Division, not the Nursing Division. The Home Care Division includes Home Health Aides, Visiting Nurses, Physical Therapists, and Occupational Therapists. The Home Care division is located about one-half mile from the main campus of the hospital in midtown Southbridge.

Given the rapidly increasing demand for home health aides, the hospital had been considering starting their own training course. But when MacKinnon suggested developing an industry-wide training program, that made sense to Harrington. The supervisor of the Home Health Aides identified the training package, reviewed it to assure that all state certification requirements were covered, helped modify it slightly, and interviews those who complete the training and fill out a Harrington job application form.

The Training Program

The Home Health Aide Training Program is the first industry-based training effort undertaken by the MacKinnon Training Center. In the past, the center relied mainly on general on-the-job training contracts for any occupation. The home health aide program represents a conscious attempt to focus occupational training on an industry with high and growing demand for entry level workers.

MacKinnon Training Center and REB

The MacKinnon Training Center is a unit of the Town of Southbridge, with the executive director reporting to the Town Manager. It is a training agency with most of its funding coming from the Worcester Regional Employment Board (REB), which oversees the distribution of JTPA and JOBS funds in the region. The REB's JTPA funds come through the State Department of Employment and Training, and the JOBS funds (for AFDC recipients) come through the State Department of Transitional Assistance (DTA). The combined employment-related funds from JTPA II-A, II-C, and JOBS are distributed through a single RFP

process. The REB contracts with several local providers throughout the region to serve as intake centers. MacKinnon has been the REB intake center in Southbridge, and as such, does intake, assessment, and referral to REB training programs. In addition to the intake contract, MacKinnon also has contracts to provide job readiness training for any JTPA II-A participants, a clerical training course, and the home health aide training course. In addition, MacKinnon has some funds from REB and the Town of Southbridge for adult education classes.

Course Curriculum

The home health aide training consists of two major components.

- Classroom instruction, including five weeks of classroom training (125 hours total, 25 hours a week, 8:30 am to 2:30 pm Monday through Friday). The "Home Care Aide I, II, and III Training Curriculum" developed by the Massachusetts Council for Home Care Aide Services is used for 100 hours (state certification for Home Health Care Aide I requires 40 hours of instruction, Aide II requires 60 hours, and Aide III requires a minimum of 75 hours). The instructor is a Licensed Practical Nurse with home health care experience (these are the instructor qualifications required for the course to be accepted for state certification). Guest speakers are from hospitals, fire departments, and health departments. The other 25 hours is spent in workforce readiness instruction, using the Worcester REB's "Workforce Skills for Responsible Living" curriculum.

- Clinical training, including two weeks of clinical training conducted on-site at the Harrington Memorial Hospital, uses hospital training facilities and involves direct experience serving patients and using hospital equipment. State certification requires at least 16 hours of clinical training, and the clinical training benefits from hospital staff interaction with trainees, special presentations, and observation while trainees are working with patients.

As trainees near completion of the course, MacKinnon workforce readiness job developers and case managers provide employment counseling, guidance on job search, and referral to job openings. Presentations are made by representatives of hiring companies and institutions, including Harrington Memorial Hospital.

Once all classroom and clinical training is completed, trainees take both the written competency examination and the skills examination required for state certification for Home Health Aide III.

Employment

Thirty-nine persons participated in the six cycles of home health aide training held in 1995, the first year of the training. Of those, 35 completed the training (including four males),

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and 33 entered employment (average wage of $8.89/hr) -- all but four (including two males) in the health care sector at an average wage of $8.89/hr. (the others entered jobs in railroad, retail store, manufacturing, and finance at an average wage of $9.19/hr).

All 35 persons who completed training were invited to apply to Harrington Memorial Hospital. Ten completed Harrington applications, and seven of the ten received offers of employment. Two of these accepted the offer and were hired; one more is pending. Those who were offered a job but declined took jobs in the home health field but with firms or institutions outside the Southbridge area. The three who were not extended an offer had absolutely no prior work experience of any kind. The hospital supervisor counseled them to seek employment initially at another home health provider that may not be as selective as Harrington, but encouraged them to keep the hospital in mind after obtaining more work experience.

Of the 39 who entered the training, 10 were AFDC recipients; of the 35 who completed, 10 were AFDC recipients; all 39 were JTPA-eligible.

Fees and Costs

The total REB contract is for about $98,000 a year for 40 trainee completions. In the first year, about 70 percent of the costs were JTPA funds, 30 percent were JOBS/TA; in the second year, the costs were about evenly split between JOBS and JTPA. In addition, those who are receiving welfare (AFDC/TA) receive child care assistance.

Harrington Memorial Hospital provides considerable in-kind support, but the value of that contribution is not known. The hospital contribution consists of space for the clinical training for two weeks in each of the six cycles per year, use of hospital patient services and staff for the clinical training, and time of the Home Health Care supervisor to review curriculum. In addition, the hospital obtained an rider on their insurance to cover liability costs associated with the trainees during their clinical activity at the hospital. Participants also have access to the hospital's on-site resource center, where they can use videos, materials, and books, as can regular hospital employees.

Participant Recruitment

Recruitment into the home health aide training occurs through the regular REB/JTPA route. Individuals in the Southbridge area have one central intake point for JTPA services: the MacKinnon Training Center. Persons may, though, enter JTPA through other intake centers in the region, primarily those in Worcester. AFDC recipients (now referred to as Transitional Assistance recipients, or TA) are referred to MacKinnon from the local DTA offices. MacKinnon staff determine eligibility for various JTPA services, give the TABE test to those interested in training programs with an educational competency

requirement, and refers potential participants to various training programs. Those who are interested in the home health aide training or the clerical training at MacKinnon are referred to designated staff. JTPA intake, eligibility determination, and assessment are also conducted. MacKinnon also receives referrals from the local Unemployment Insurance/Job Center, and from the Massachusetts Rehabilitation office located in Southbridge.

None of the home health aide trainees have been employed by any of the collaborating hospitals at the time of intake. Some individuals, though, who seek employment at the hospitals are referred to MacKinnon if they indicate they are interested in home health care jobs.

Outcomes

As noted above, over 80 percent of trainees completed the course. All persons who completed the training in the first year obtained employment, most in the health care field. The Harrington Memorial Hospital staff report high satisfaction with the quality of the training received through this course. Those hired at Harrington have been "excellent," well-trained, and ready to work with minimal supervision. "The training through this program is among the best in the area, on par with the training through the best private institutions and colleges. Quality of instruction is excellent."

MacKinnon has also received positive feedback from other health institutions that have hired training graduates. Given the increasing demand for health aides, there is strong support from the industry to continue the training. Several hospitals and companies report having difficulty hiring enough entry level workers.

Lessons Learned

- The tight labor market and their need for entry level workers was perhaps the most important motivation for the hospitals to collaborate with MacKinnon/JTPA. It is not clear whether the enthusiastic support would have existed without the high demand for labor.

- The MacKinnon executive director chose to target the health industry and the home care portion of the industry after careful discussions with representatives of the community in general, the Chamber of Commerce, and local hospitals. He also reviewed labor market information and projected future trends using state and local DET reports and data. One important lesson, then, is that the target of opportunity should be "market-oriented," based on analysis of labor market trends and needs of the business community. MacKinnon is now considering a second industry-based training course that would focus on culinary arts.

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- One early problem that arose concerned liability insurance for trainees. Trainees who come to the hospital from schools (e.g., community colleges and high schools) are covered by liability insurance maintained by the host educational institutions. The Home Health Aide Training, though, through JTPA and JOBS, had no such coverage. The CEO of Harrington determined that the benefits to the hospital were high enough to justify adding a rider to the hospital's existing insurance to cover the associated liability.

- MacKinnon staff emphasize the importance of integrated job readiness skills within an occupational training curriculum. Discussions with community employers and the Chamber of Commerce indicated that employers are very concerned about the general work-readiness skills of entry level workers (e.g., be on-time, reliable, flexible, trainable). The Home Health Care training incorporated the work-readiness curriculum into the home health training curriculum.

- MacKinnon and REB staff also explained that a critical aspect of their "marketing" is to have all communication with employers be business-oriented, not human service-oriented or social work-oriented. For example, they usually do not refer to the course as being part of JTPA unless they are specifically asked by a company. Many companies shy away from JTPA and the government because they feel that the programs simply try to "push" poorly qualified persons onto businesses. It is critical that job training agencies understand the business sector, their motivations, their needs, and the labor market trends, and then fit the training to meet the needs of the market.

Contact: Peter A. Hughes, Executive Director
Home Health Aide Training Program
MacKinnon Training Center
114 Pleasant Street
Southbridge, Massachusetts 01550
508-764-5449

NEIGHBORCARE PHARMACIES

NEIGHBORCARE PHARMACIES

Summary

NeighborCare Pharmacies is a 15 year old company specializing in ambulatory care products and pharmaceuticals. The company has 26 pharmacies located in or near hospitals in the Baltimore area. Because of its rapid growth (increasing employment from 230 to 500 in 18 months), NeighborCare needed to fill pharmacy technician positions but could not find qualified applicants. In cooperation with the Mayor's Office of Employment Development (the Baltimore City agency that administers JTPA and JOBS) and the Baltimore City Community College, NeighborCare established a pharmacy technician training program and committed to hire the graduates. The program, developed and run by BCCC, trained eight technicians during its first session in 1995, and is currently training 18 (11 are JTPA clients and promised jobs by NeighborCare; seven are members of the general public).

Description of the Company

Begun as a single pharmacy, NeighborCare, with 500 employees and 26 pharmacies around the Baltimore area, has grown into the largest pharmaceuticals managed-health care services provider in Maryland. NeighborCare's success is based on the development of a niche market with pharmacies located in or near hospitals providing traditional apothecary supplies, such as ambulatory care products. NeighborCare pharmacies specialize in infusion therapy (the provision of liquid foods via IV), and while they carry a full range of pharmaceutical products, they do not offer the traditional retail selection found in many drug stores: notebooks, diapers, or shampoo.

Specialization in infusion therapy and managed care has allowed NeighborCare to expand from its original Professional Pharmacies™ to four additional pharmaceutical and managed care services. Below, each of its five major businesses is described:

- Professional Pharmacies™: 26 pharmacies within medical centers, hospitals, and managed care organizations provide pharmaceutical services in an "upscale" atmosphere.
- Institutional and Long Term Care Pharmacy Services: provides pharmacy services to 11,000 long-term care beds in Maryland, Delaware, Washington, and Pennsylvania.
- Infusion Therapy Services: provides IV services to hospitals, long-term care facilities, physicians' offices, and home care patients. NeighborCare compounds all medications in its state-of-the-art 10,000 class clean room facility.

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- NeighborWare Health Systems: software development company developing proprietary systems for seamless transmission of health care information between providers. The system allows NeighborCare real time interaction with the long term care facilities it serves.

- CareCard: this business, also known as a Pharmacy Benefit Manager, allows NeighborCare to control its own third party claims processing, on-line drug utilization review and evaluation, on-line formulary management, and on-line drug manufacturer rebate management.

Each pharmacy generally has three employees: a pharmacist, a pharmacy technician (PT), and a driver (who makes deliveries). Because of its rapid growth, NeighborCare had job openings for PTs which they were unable to fill with qualified candidates. In the changing health care climate, PTs often take over some traditional pharmacist roles, such as counting out pills for a prescription, leaving the pharmacist available to compound drugs, counsel patients, and respond to patient concerns. PTs, then, need a broad array of skills, including knowledge of basic drug and medical terminology.

Purpose of the Training Program

The training program is intended to provide NeighborCare with a cadre of qualified PTs to fill available positions. PTs should be trained well enough to be able to be productive on the first day on the job (with little or no on-the-job training). The program is customized, responding to NeighborCare's specific training needs.

The Training Program

The PT training program was developed as a partnership between NeighborCare, the Mayor's Office of Employment Development (MOED), Baltimore City Community College (BCCC), and the Maryland Hospital Association. Preliminary discussions between NeighborCare and MOED staff led MOED to agree to fund a customized training program for NeighborCare. The training program fulfills needs of both organizations: NeighborCare needed trained PTs, and MOED needed the jobs for its JTPA participants.

After their initial discussions, MOED referred NeighborCare to BCCC for curriculum development. BCCC provides training to several employers in the Baltimore area and has developed a program called Design a Curriculum. During the Design a Curriculum process, BCCC met with NeighborCare in an intensive two-day session to develop the core competencies and skills to be covered in the curriculum. BCCC receives state funds to pay for the Design a Curriculum process and covered the costs of curriculum development for the

NeighborCare PT training program.

The first PT training course, conducted in 1995, trained eight technicians who were subsequently hired by NeighborCare. A year later, all but one are still employed by NeighborCare; one left to pursue higher education. The second course began in February, 1996, and is scheduled to continue through June. BCCC expanded the course to include members of the general public. The PT training program is now a regular course offered through BCCC's Business and Continuing Education Center. All interested students apply for admission to the program. Eighteen students are currently enrolled, and 11 of these are JTPA participants whose tuition is paid by MOED.

Students who complete the course receive a certificate of completion from BCCC. The course is recognized by employers in the area as providing good training for pharmacy technicians, and graduates can expect (in the currently expanding market) to find work easily at NeighborCare or other pharmacies. NeighborCare committed to hire the 11 JTPA participants. Entry level wages at NeighborCare for graduates of the course are $6.50 to $7.00 per hour. After a 90 day probation period, graduates receive full medical and other benefits. PTs, after several years in the field, can expect to earn $11.00 to 12.00 per hour.

Curriculum

The curriculum covers competencies in four core areas (or modules): drug and medical terminology, mathematical computations, pharmacy law, and soft-skills. BCCC's instructor for the technical course, a Doctor of Pharmacy, developed her lectures, as well as handouts and readings based on the curriculum outline prepared by BCCC and NeighborCare. The soft-skills portion of the course, which includes communication skills, how to study and take tests, and work readiness skills, is taught by a consultant to BCCC who teaches soft-skills for several BCCC training courses. Each module of the course is followed by an exam, in addition to a comprehensive, final exam.

The course includes 100 hours of classroom training and 40 hours of practicum in work settings. It is the only accredited community college PT training program in the state. The classroom training takes place on the BCCC campus. The practicum occurs in three phases. First, three groups of six students work in a retail setting in two three-hour segments. Second, one or two students at a time shadow a pharmacy technician in a clinical setting. Third, the group works in the IV lab at the University of Maryland hospital. One or more of these practicum experiences will take place at a NeighborCare facility.

The soft-skills portion covers topics such as communication skills, reporting to work on time, work ethics, study and test-taking skills. The math portion covers fractions, percentages, and more complex calculations needed to compute drug dosage. In the nomenclature portion, students become familiar with the names and applications of generic and brand name drugs, as well as medical terminology. The pharmacy law section alerts students to legal issues that may

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arise in the pharmacy.

While NeighborCare helped develop the curriculum for the program and provides some instruction during the course, the topics included prepare students for positions as pharmacy technicians in a variety of pharmacy settings.

The Role of the PIC

MOED has three primary responsibilities in this program: recruiting participants, selecting eligible JTPA participants, and paying eligible participants' tuition for the training. As part of its customized training program, MOED seeks employers with specific training needs, helps them develop a training program in conjunction with BCCC, and refers JTPA and JOBS clients to the program for training. MOED recruits participants through its normal recruitment process. Both Title III (dislocated workers) and Title II (disadvantaged adults and youth, who have completed high school) are referred to the program. Eligible JTPA applicants who are interested in the PT training are given an initial screening and interview by MOED. This initial screening includes:

- high school diploma or GED,
- Test of Adult Basic Education (TABE) scores of 9th grade in math and 11-12th grade in reading comprehension,
- a written essay (letter of interest),
- a resume,
- a drug screening, and
- a credit check.

MOED paid for the drug screening, and NeighborCare paid for the credit check. Only those JTPA applicants who passed this initial screening were referred to NeighborCare for an interview. For the second class of students (in session during the site visit), MOED referred 30 persons to NeighborCare for interviews, and nine were chosen for the program.

Fees and Tuition

The course costs $1,495 per person; the entire fee for MOED clients is paid by MOED. NeighborCare makes in-kind contributions to the course: employees provide some instruction during the technical course, and NeighborCare facilities serve as practicum sites. Curriculum development was paid for by BCCC through a state grant.

Other New Employee Training

NeighborCare has an in-house training facility and a full-time trainer who provides orientation training to all new employees. Each pharmacist is also required to take 24 hours of continuing education each year; this training is provided by NeighborCare.

Participant Recruiting

JTPA participants are recruited through the Baltimore employment and training system. All interested JTPA applicants undergo an initial screening by MOED; qualified applicants are referred to a group interview conducted by BCCC and NeighborCare.

The course was opened to the general public; BCCC students can now apply for the program. These applicants must meet the same requirements, including the interview, as JTPA applicants. The course attracted a wide variety of applicants. For the second course, begun in February, 1996, 40 applicants (including both MOED referrals and the general public) vied for 20 slots. Only 18 of the slots were filled (largely due to the strict entry requirements). Because of publicity for the course, BCCC now has a list of interested applicants that is "pages and pages" long.

Changes in the Program

Perhaps the most important change between the first and second sessions was the change in the length of the course. The session conducted in 1995 was 62 hours long with only 16 hours of practicum. The second session was lengthened to 100 hours with an additional 40 hours of practicum. BCCC and NeighborCare felt that the additional time in training would better prepare students, though both organizations expressed satisfaction with the quality of the workers produced in the shorter session.

The course has also been expanded to serve members of the general public (general public students are not guaranteed employment with NeighborCare). The course is listed in BCCC's catalogue, and students may apply to get in. In the second class, nine students were referred from MOED, and nine were accepted from applications by the general public. BCCC referred two of the general public students to MOED; they were eligible for JTPA, and MOED paid for their course tuition.

Participants who complete the course may opt to seek employment (with NeighborCare or another company) or to enroll in a 700 hour clerkship with the University of Maryland hospital (a nationally certified PT training program). Clerks are paid $4.25 per hour while in training and receive intensive training. Once they complete the training, clerks are hired by the University of Maryland at $9.00 per hour.

NeighborCare has also sought funding to expand its employee training program. A delivery driver program, planned in conjunction with MOED and the new Baltimore empowerment zone committee, was recently approved. Delivery drivers will be trained through a BCCC training program, paid for by the empowerment zone, and hired by NeighborCare. The Baltimore City Empowerment Zone, funded by a grant from the U.S. Department of Housing and Urban Development, is taking the customized training model and applying it to

the empowerment zone. Companies hiring workers living in the empowerment zone are eligible for assistance with customized training programs (the company does not have to be located in the empowerment zone). MOED provides technical assistance to the empowerment zone committee on customized training.

Outcomes

Outcomes for the first training course include: all 8 trainees finished the course; all were hired by NeighborCare; and 7 trainees remained employed with NeighborCare at one year (one employee left to continue higher education). The second training course was still in session during the site visit.

Lessons Learned

Customized training through JTPA has several advantages for NeighborCare:

- The program is inexpensive for NeighborCare. MOED pays the full tuition for students; NeighborCare's financial obligation is limited to the donation of employee time for guest instruction in the program and use of facilities for practicums. Five NeighborCare pharmacists serve as occasional lecturers.

- NeighborCare was able to participate in the development of the curriculum and design the program to meet its own needs. Pharmacists from NeighborCare provide several hours of instruction in the "NeighborCare way of doing things."

- Students, upon graduating, are prepared to work their first day and need no (or limited) additional on-the-job training.

For MOED, the program is also advantageous. MOED pays the full cost of tuition in the program, but the guarantee of employment for students who complete the program boosts the PIC's performance ratings. MOED believes that providing customized training for employers is less expensive than other occupational skills training options. Saving money is a priority: MOED's operating budget in FY 96 was $130 million and $15 million in FY 97.

MOED noted two prominent obstacles to customized training: 1) customized training requires extensive coordination between the company, the PIC, and the training provider (in this case, BCCC) and a commitment from employers to hire trainees; and 2) employers are often unwilling to commit because they are undergoing re-engineering and are uncertain of their future staffing levels. Customized training does, however, provide excellent outcomes for the PIC and the employer (as well as the student who receives training and a guaranteed job). MOED is attempting to expand its customized training program and has approached several

employers in the Baltimore area. NeighborCare is one of few companies that has agreed to participate.

Another obstacle for the employer is cost. NeighborCare indicated that without the tuition subsidy from MOED, the company would not have provided the training. NeighborCare feels that it is a small company with few extra resources (staff and funding) for training programs. In addition, BCCC can provide the training at a lower cost than the company could on its own.

Student success is, in large measure, predicated on the strict entry requirements. Of the eight students in the first course, all finished the training, and seven continue to be employed by NeighborCare. Without an adequate level of basic skills and demonstrated willingness to commit to a 3-4 month program, students are not admitted. Because NeighborCare participates in the interview process, the company is able to choose students it believes will make good employees.

BCCC believes that the key to effective customized training is to maintain a connection between training and employment. Employment processes should be reflected in the training, and all trainees should be able to begin work upon completion of the program. Customized training should reduce the on-the-job training investment of the employer. The employability skills contained in the training course are not usually included in academic programs and are intended to improve the productivity of the employee. This portion of the training requires students to view the training as preparation for an actual career.

Contact: James Waller, Director of Human Resources
NeighborCare Pharmacies
Seven East Lee Street
Baltimore, Maryland 21202
410-332-0197

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PACIFIC NEW FEDERAL CREDIT UNION

PACIFIC NW FEDERAL CREDIT UNION

Summary

Pacific Northwest Federal Credit Union, a mid-sized federal credit union with $50 million in assets and more than 10,000 members in Portland, Oregon, is committed to training for both incumbent and new employees. Employees are encouraged to take part in seminars and courses through a tuition reimbursement program, and all new employees are required to complete a self-study course in credit union history and member services.

Pacific Northwest and four other Portland area credit unions recently formed a partnership with the local Private Industry Council (PIC) and Goodwill Industries to develop a customized training program. The training program prepares older workers (persons aged 55 and over) to be member services representatives. The PIC recruits and screens applicants to its JTPA Older Worker program, and participants are chosen after an interview by a panel of credit union and Goodwill representatives. The PIC pays for the training, and the credit unions agree to hire the participants once they successfully complete the course. This customized, new employee training reflects Pacific Northwest's significant community involvement.

Description of Company

Pacific Northwest, a federally chartered credit union, serves primarily federal employees, including the Bureau of Land Management, Bureau of Indian Affairs, and the Forest Service and over 150 select employee groups. Pacific Northwest has three branches and 34 employees in several departments:

- member services, responsible for opening accounts, conducting credit checks, authorizing debit cards, as well as cashing checks and making deposits;
- accounting;
- loans;
- operations including DP, VISA, ACH, and checking accounts;
- marketing; and
- credit union service organization (an employee, licensed as an insurance agent, sells insurance products).

Pacific Northwest was chartered in 1942 by Bonneville Power Administration employees who were required to pay their own travel advances; they formed the credit union in order to borrow travel money. There are currently 10,500 members (70 percent are federal employees), up from 7,800 five years ago. There are approximately 100 credit unions in the Portland area with about 500 employees.

Purpose of the Training Program

Pacific Northwest views training its employees as part of its mission. Its new effort to begin a member services program for older workers grew out of Pacific Northwest's involvement in the community and its desire for a more diverse workforce. The program seemed a natural partnership: Pacific Northwest needed trained member service representatives, and the local Private Industry Council needed employers to hire its older workers.

The Training Program

Pacific Northwest, in conjunction with four other credit unions and the local PIC, recently began a member services training program for older workers. The first training class began in January 1996 and ended in April. Fourteen students over age 55 are currently participating. The president of Pacific Northwest and an employment specialist from the PIC met at a meeting of a local business association and discussed a training partnership with the older worker program. The PIC primarily uses computer and office training taught by local community colleges; this is its first customized training partnership. The PIC chose Goodwill Industries as the training provider through a request for proposal process; Goodwill was chosen because its has an ongoing banking training program and a business advisory committee with banking representatives. Five credit unions agreed to participate in the training program and signed Memoranda of Understanding with the PIC indicating that they will hire the successful graduates.

Curriculum

Goodwill Industries was responsible for designing the curriculum for the training program. The participating credit unions prepared a list of criteria for the program, including important skills to be gained. They also identified training modules from the Credit Union National Association (CUNA) national curriculum that they wanted to use. These modules, credit union orientation and member services, were acquired from CUNA; Goodwill developed the remainder of the curriculum.

Curriculum topics include:

- grammar and writing for job and personal use,
- spelling basics,
- basic math for job and personal use,
- decimals, fractions, and percentages,
- keyboarding,
- customer service and the telephone,
- calming upset customers,

- study skills for success,
- Gregg quick filing practice,
- reading for job and personal use,
- listening and speaking skills,
- how to master time/increase productivity,
- how to deal with difficult people,
- personality development for work,
- data entry, concepts and applications,
- basic Windows competency,
- WordPerfect 6.0 for Windows,
- Lotus 1-2-3,
- credit union orientation (including credit union history and philosophy),
- member relations,
- member services (including credit union services and membership accounts, lending, and credit cards),
- money and negotiable instruments,
- product knowledge and selling, and
- security.

Classes are held 30 hours per week for 14 weeks.

Participants will be hired initially as interns; part of Goodwill's contractual obligation is to pay participant wages (generally $6 to $8 per hour) during the six-week internship.

Fees and Tuition

The PIC paid the entire cost of the course -- $30,000 (or $2,143 per participant) -- and participants received the training at no charge. Funds for this training came from the JTPA Older Worker program. The training modules from CUNA cost $2,500; while the PIC felt that this fee was expensive, it saved on curriculum development costs. The five participating credit unions did not contribute financially to the program.

The Role of the PIC

The PIC prepared the RFP, evaluated responses, chose the training program, and contracted with Goodwill for the training. The PIC also recruited participants and conducted an initial screening of training applicants. The screening included an interview and testing of basic skills; the credit unions required participants to have a 10th grade language ability and an 8th grade math ability. As noted above, the PIC was responsible for paying the $30,000 contract amount to Goodwill.

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Other Training Offered

Pacific Northwest offers its employees a variety of training throughout the year. Much of the training received by employees is informal, on-the-job training. However, all new hires are required to complete a self-study training program called Star (Staff Training and Recognition). Star is a CUNA program consisting of the credit union history and orientation and member services modules taught during the Older Workers training program. Employees use workbooks to study the lessons and take an open-book exam graded by the Oregon Credit Union League. Those who successfully pass the exam receive a certificate of completion. Employees have the option to study more advanced modules once they have completed Star.

The credit union offers a tuition reimbursement program: each employee can spend up to $250 per year on job-related courses at community colleges, seminars offered through associations or industry groups, or conferences. Supervisors must approve training requested by employees. Each year during performance reviews, supervisors and employees discuss career goals and training needed to reach the goals. Training requested by employees generally responds to goals set during the performance review. Pacific Northwest created an organizational chart projecting needed positions in 5-10 years to give employees an idea of what jobs will be in demand within the company to facilitate employee training decisions.

In addition, Pacific Northwest offers special training programs throughout the year. For example, in 1995, Pacific Northwest developed a partnership with two other credit unions to provide business development and sales training to all their employees. The training lasted a year -- until all employees were rotated through the program. The training focused on how to sell products based on member needs. The curriculum was purchased from CUNA and taught by a training consultant employed by one of the credit unions.

Participant Recruiting

Participants in the Older Worker training program were recruited by the PIC. At first, the PIC believed it would have enough already-enrolled Older Worker participants for the credit union training program. When it became clear that not enough already enrolled persons were interested and that more applicants would be needed, the PIC recruited applicants through the local Urban League and several newspapers with diverse readerships. They received 50-60 responses and chose 17 students after the screening process. Fifteen students were placed in the training program, and two were kept on a waiting list to fill in for students left the program. By the beginning of April, three students had left the program, leaving 14 enrolled. Applicants participated in two interviews: the first was conducted by PIC job developers and the second by a five member panel of credit union and Goodwill representatives. Credit union executives were concerned that persons accepted for training be the types of workers they would want to hire and viewed their participation in the interview process as vital.

Changes in the Program

The program has not yet graduated its first class of member services representatives. So far, only one change has occurred in the program: the use of volunteer mentors. Credit union employees volunteered to serve as mentors to students, received training manuals (but no training course), and agreed to talk with their assigned student (each mentor was assigned one student) at least once a week throughout the training program. Officially, the mentor relationship ends with the training program, but at least one mentor we spoke with indicated that she might continue the relationship into the first month of the student's employment.

Outcomes

In general, customized training programs result in positive outcomes for the PIC, the employer, and the participant. The PIC trains participants and receives guarantees that successful trainees will secure employment. The employer chooses participants, assists in curriculum development, and hires trained workers who can begin their jobs with little or no on-the-job training. Participants receive free training in a skill leading to a guaranteed job. Participants hired by Pacific Northwest will have entry wages of $7 to $8 per hour, a higher salary than most Older Worker jobs.

Lessons Learned

Developing a customized training program is often a serendipitous process, and as was the case with other site visit companies pursuing customized training, Pacific Northwest was involved in the community. The customized training program started because the president of Pacific Northwest met a PIC representative at a business association meeting. Connection to the community extended beyond the business association, however. Pacific Northwest was also involved with the Oregon Credit Union League, the Credit Union National Association, and the local committee charged with the school-to-work initiative, and has partnered with a local high school.

Training provided by Pacific Northwest is always job-related, but some of the training, such as customer service skills, is generalizable to other service occupations. The member services training included computer skills and basic math and English skills that would be helpful in many jobs.

Pacific Northwest's President noted a valuable lesson she had learned regarding employee training: one size (training program) does not fit all. The workforce is diverse in terms of age, ethnicity, work experience, and training or educational experience, and training needs, therefore, are different for different employees. Training programs, then, need to be

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tailored to different employees, and publicly-funded customized training programs are a valuable source of this training.

The PIC indicated that many employers are wary of customized training because of the perceived risk of committing to hire trainees. Many companies in the Portland area were downsizing and could not commit to new hires.

Pacific NW Federal Credit Union
12106 N.E. Marx Street
Portland, Oregon 97220
503-256-5858
Contact: Linda Eaton, President/CEO

PEP BOYS CORPORATION

PEP BOYS

Summary

Pep Boys is engaged in the retail sale of automotive parts and accessories, automotive maintenance, and service and installation of parts through its nationwide chain of over 450 stores. In order to meet staffing requirements of new stores and to offset high turnover rates at existing stores, Pep Boys developed a training program to recruit new, well-trained individuals for its permanent workforce from the community in which its stores were located. The Urban Leagues' Automotive Training Center (ATC) was selected to conduct the training. ATC, with input from Pep Boys, designed the curriculum and instructional methods for the program. The Los Angeles County Private Industry Council (PIC) helps with recruitment, assessment, and screening of prospective participants and pays the tuition for JTPA-eligible participants.

All of those successfully completing the training program (92 trainees to date) have been hired as full-time, regular employees by Pep Boys. Starting wages for cashiers and customer service representatives are $6.25 per hour and for sales representatives are $7.25 per hour. Workers receive full benefits after 90 days. Through September 1996, of those hired, nearly 90 percent were still working for Pep Boys.

Description of Company

Founded in 1921, Pep Boys is engaged in the retail sale of automotive parts and accessories, automotive maintenance, and service and installation of parts through its nationwide chain of over 450 stores. A public company since 1946 whose shares are traded on the New York Stock Exchange, Pep Boys has positioned itself as a one-stop shopping automotive aftermarket retailer capable of serving the needs of the do-it-yourself, do-it-for me, and buy-for resale customer. Pep Boys features accessories, hard parts, tires, and service all in one location. Pep Boys sales reached $1.44 billion in 1994.

Purpose of the Training Program

In the early 1990s, Pep Boys established expansion plans for opening 40 to 60 stores over a three-year period in the greater Los Angeles County area. In order to meet staffing requirements for its new stores and to offset high turnover rates in existing stores, Pep Boys needed to develop a method to recruit new, well-trained individuals for its regular workforce from the community in which its stores were located. The purpose of the training program is to recruit and train auto parts sales representatives, cashiers, and customer service representatives to be placed in existing and new stores throughout the Los Angeles area. Pep

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Boys, working closely with the Los Angeles County Department of Community and Senior Services (which includes the Los Angeles County PIC) and the Los Angeles Urban League established the customized training program.

The Training Program

Role of the Firm

Beginning in September 1994, Pep Boys, the 2nd Congressional District office, the Los Angeles County Department of Community and Senior Services, and the Urban League came together for discussions about the possibility of establishing a training program to assist Pep Boys with planned expansion of its stores in the Los Angeles area. Prior to these discussions, Pep Boys had hired a consultant to study its planned expansion of stores in California, including real estate acquisition and manpower requirements for new stores. The consultant suggested, to the extent possible, that Pep Boys should hire individuals from the communities where stores are located. The consultant also suggested that the Urban League's Automotive Training Center might be able to provide the types of customized training that would be needed for new hires at Pep Boys stores. In addition, the PIC was identified as a resource that could help with recruitment (through its one-stop career centers), assessment, and screening of possible training candidates, as well as provide payment for JTPA-eligible training participants.

Pep Boys committed a total of $250,000 in cash and in-kind contributions to the Urban League to offset start-up and ongoing costs for the first year of the project. Pep Boys provided $100,000 in cash to offset costs of curriculum development and other start-up costs, and $150,000 of in-kind contributions to cover ongoing project costs over a three-year period. In-kind assistance includes the donation of equipment (e.g., the computerized inventory system) and time of Pep Boys employees to help with classroom instruction.

Pep Boys played an important role in the design of the curriculum for the program, providing input to ATC on the structure, content, and teaching methods to be employed in each of the training components. The curriculum was designed so that those successfully completing the training course could move immediately into cashier, customer service, or sales associate jobs at area Pep Boys stores. The skills to be learned in the training program, while generally transferable to jobs at other automotive parts stores, were specifically tailored to the needs of Pep Boys (e.g., so graduates are familiar with the inventory system at Pep Boys). Pep Boys also provides periodic suggestions on how the curriculum and instruction provided under the training program might be enhanced.

Pep Boys has provided guidance on the overall number of individuals that will be needed in upcoming months at various locations within the Los Angeles area. Pep Boys has also formed a panel to review the qualifications of each candidate referred (generally through

the PIC) to the program. This panel, which consists only of representatives from Pep Boys, makes a determination of whether particular individual will be permitted to enter the training program. About 85 percent of those referred by the PIC are selected for participation in the program by this panel.

Pep Boys guarantees a job to all trainees who successfully complete training. To successfully complete training, participants must pass all course work (maintaining at least an 80 percent performance standard) and have an excellent attendance record. Pep Boys makes a concerted effort to place trainees in stores located in the communities where the trainee resides.

Role of the PIC

The principal roles of the Los Angeles County PIC -- which is a part of the Los Angeles County of Department of Community and Senior Services -- have been to (1) facilitate the establishment of the customized training program, (2) recruit and screen prospective participants, and (3) provide payment to the Urban League's ATC for JTPA-eligible individuals enrolled in the training program. The PIC played an important role in brokering the original partnership agreement between the Urban League, Pep Boys, and the PIC. In particular, the PIC brought resources to offset training costs and provide five-week OJTs at Pep Boys after training was concluded.

The PIC provides recruitment (in conjunction with the Urban League) through its one-stop centers and other JTPA intake offices throughout the county and city of Los Angeles. As part of its usual intake process for JTPA, each recruit is screened for JTPA eligibility and, if eligible, enters JTPA's objective assessment process. The assessment process includes an in-depth interview with a JTPA case manager and a battery of tests to identify basic skills, aptitude, and motivational levels of potential participants. Based on the results of the assessment process, the PIC makes a determination of whether the individual is appropriate for Pep Boys' customized training program (or other types of JTPA-sponsored training programs). Those individuals who meet basic program requirements and are highly motivated to enter Pep Boys customized training program are referred to a Pep Boys review panel for final approval for participation in the program. If Pep Boys panel approves the candidate, he or she is given a drug test and an character survey (Reid Survey). If the candidate receives a satisfactory recommendation on both screenings, he or she is authorized to begin training at the Urban League's Automotive Training Center.

Participants do not receive a needs-based payment from the PIC during participation in the training program. The participants we interviewed indicated that this was not a problem because the training period was relatively short and some individuals could get unemployment insurance or work part-time if necessary. The PIC arranges for a variety of support services that individuals might need during their involvement in the training program -- including vouchers for transportation (many do not own cars) and child care. The PIC, through its one-stop centers and referral to other providers, is also able to arrange for a range of other types of

assistance, including food and clothing.

Role of the Urban Leagues' Automotive Training Center

The Urban Leagues' Automotive Training Center was selected to conduct the training. ATC was established shortly after the 1992 riots in Los Angeles by the Urban League with the help of a $2.0 million grant from Toyota. ATC trains about 100 disadvantaged individuals (excluding those enrolled in Pep Boys customized training program) in automotive repair and mechanics.

ATC developed the training curriculum initially and submitted it to Pep Boys for review and comment. Pep Boys made suggested changes so that trainees would receive training tailored to the operations of Pep Boys. For example, Pep Boys wanted the training to include their inventory and control systems so that trainees would be able to provide high quality customer services on their first day at work. The Urban League urged and Pep Boys agreed to include diversity training in the course work, to help trainees from different backgrounds understand and work better with customers and other workers. The course work also includes sessions on conflict resolution. Once finalized, the curriculum was submitted to the state's private post-secondary education committee for review and approval. Pep Boys and Urban League indicated that the curriculum development process was an important ingredient to the success of the program.

Pep Boys customized training program consists of two major components -- an eight-week Parts Training for Sales Associates and a five-week Cashier/Customer Service Training.[1] Both programs, involving eight hours of training a day, include classroom instruction and hands-on experience with computers and other processes used in the workplace. Participants in the sales associate training component receive a total of 320 hours of training, while those in the cashier/customer services component receive a total of 200 hours of training. Training is closely linked to Pep Boys operations; for example, training is provided on Pep Boys' computerized inventory system. ATC has capabilities to provide remediation for participants with basic skills deficiencies; ATC can also refer individuals for more intensive literacy/basic skills instruction through the PIC's one stop career centers or other service providers. Graduates of the training program receive a certificate of completion.

Fees and Tuition

For those eligible and enrolled in JTPA, the Urban League's ATC receives payment of $4,700 for each trainee enrolled in the cashier/customer service training program

[1]Pep Boys and the Urban League have been working on the development of curriculum and instruction methods for a third component slated for start-up in late 1996 -- a training program for installers, who would work within the service bays at Pep Boys stores (e.g., entry level mechanics, installing batteries, tires, etc.).

and $5,100 for each trainee enrolled in the auto parts training program. These charges are about $600 to $800 less than those of most other vocational training provided through the PIC. Under the arrangement, the Urban League receives 50 percent of the JTPA payment 30 days after the individual enters training, 35 percent the day the individual starts employment with Pep Boys, and the final 15 percent if the individual is still employed 30 days after employment starts. In addition, most participants are placed in an OJT with Pep Boys, which subsidizes wages of the trainee for a period of five weeks.

Pep Boys, though not making a payment toward tuition for participants, does make contributions to the Urban League.

Participant Recruiting

There are several referral points for the program. The Urban League has run advertisements in local newspapers and recruited through other programs it operates within various Los Angeles neighborhoods. JTPA offices, including the one-stop career centers, have been another important point of referral to the program. Some participants have heard about the program through family members, friends, or others who have graduated from the program.

Most participants in the program have been JTPA Title II-A participants, with a few coming from JTPA's Title III (dislocated worker) program. Most participants have been between 22 and 45 years of age. Although there are some exceptions, generally females have tended to enter the cashier/customer services representative training component, while males have tended to enter the sales/parts training component. There is a lifting requirement for sales/parts positions, which may limit some women from going into the parts/sales training component.

Changes in the Program

There have been some changes in the curriculum in response to suggestions by Pep Boys, but generally there has been little change in the basic structure of the program since it was initiated. The training period for the cashier/sales representative component was cut from six weeks to five weeks. As Pep Boys expands to outlying areas of Los Angeles, it may also be necessary to bring on additional training facilities because of difficulties trainees have in commuting to ATC's downtown location.

Outcomes

Pep Boys targeted training and placement of about 300 individuals in the first year of

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the training initiative. Between January 1996 and September 1996, a total of 270 individuals were assessed by JTPA and recommended for participation in Pep Boys customized training program. About two-thirds of this total (63 percent), were selected by Pep Boys panel to participate in the program. A drug test and character survey was then administered to these candidates, resulting in a total of 124 being accepted to the training program (73 percent of those selected by Pep Boys panel and 46 percent of those originally referred by the JTPA program). Six of these individuals already had the necessary skills and experience, so they immediately began working for a Pep Boys store as a JTPA-sponsored OJT. The remaining 118 entered the customized training program at the Urban League's ATC. A total of 26 of these trainees dropped out or were dismissed before completion of the training program (an attrition rate of 22 percent).

All of those successfully completing the training program (98 trainees to date) have been hired by Pep Boys. Most begin with as a JTPA-sponsored OJT during the first five weeks of employment at Pep Boys, during which half of their wages are paid for by JTPA. Pep Boys makes every effort to place trainees in stores near where the trainee lives, though this is not always possible because openings are not always available. One of the difficulties for Pep Boys in operating the customized training program has been to anticipate the number of openings at specific locations several months in advance of when individuals will complete training.

All of those entering employment at Pep Boys are hired as full-time, regular employees. Starting wages are $6.25 per hour for cashiers and customer service representatives and $7.25 per hour for sales representatives. Once employed, workers receive basic benefits after 90 days and a more extensive benefit package after one year. Benefits include medical and dental benefits, life insurance, employee discounts, savings and retirement plans, and paid vacations, holidays, and sick days. There is both the opportunity to move to other Pep Boys stores for jobs as openings occur (i.e., to work closer to home) and to advance to other positions within Pep Boys. Several graduates have already been promoted within area stores.

Through September 1996, 85 of the 98 individuals entering employment through the training program (i.e., the 92 individuals who went through the training, plus the six who skipped training and immediately went to work with Pep Boys) were still employed with Pep Boys (an 87 percent retention rate). Store managers (at locations where trainees have been placed) have been very satisfied with the knowledge and skills of those coming through the training program, and especially with trainees' customer service focus. Though it is still early, there are indications that the program is helping to reduce the high turnover rate at area stores.

Lessons Learned

Pep Boy's experience with the customized training program for cashiers/customer service representatives and sales personnel has worked well. Overall, the program has been successful for all parties involved:

- Pep Boys benefits from obtaining workers who are well-trained and can immediately move into customer service, cashier, and sales jobs. The program helps the firm by offsetting costs of training workers and ensuring that workers are productive from the first day they start working at a Pep Boys store. It also helps Pep Boys stores recruit well-screened workers from the community surrounding each store and workers with a commitment to high quality customer services. While it is still early, the training program appears also to have the potential of addressing problems of high turnover in non-managerial jobs at area stores.

- The PIC benefits because those individuals successfully completing the training program are guaranteed a job at Pep Boys. From the perspective of the PIC, the high placement rate and retention means that it is better able to meet its JTPA performance standards. The PIC is so pleased with the results of Pep Boys effort that it has negotiated over a dozen other customized training programs. It has also developed a brochure to encourage employers to partner with the PIC and training vendors to implement customized training programs. It has also held a workshop with employers in Los Angeles focusing on how to establish customized training. The overall view of the PIC about customized training and Pep Boys collaborative was summed up by one PIC representative: "We feel this is the best way to get bang for the buck...everyone gets a job...everyone wins..."

- The Urban League's ATC is very satisfied with the training program because it is able to provide training which is valued by the firm and those trained. According to a representative of the Urban League, the ability to tie training to a job is a key to customized training: "holding out the carrot of the job...this is what really motivates trainees and is a key advantage of customized training programs...We're sorry we didn't start this type of program long ago." High job placement rates and high levels of satisfaction among both the employers and trainees help with building the reputation of the Urban League's training programs and lead to other collaborative efforts in the future.

- And finally, the worker "wins" in this arrangement because he or she receives training that enhances employability and leads directly to well-paying and long-term jobs.

The establishment and ongoing operation of the training program is not, however, without some costs. It took about 18 months to negotiate the arrangement and get the program started. It also required considerable effort on the part of the company and the training vendor to customize the curriculum. Pep Boys has found some paperwork burden associated in working with the PIC. The firm must keep a fairly detailed and up-to-date file on each trainee. It is necessary to carefully document reasons that individuals are not accepted to

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the program or are terminated from the program. The PIC also needs information about completion of training, entry into employment, and retention. One of the problems has been inconsistency in the requirements for reporting across the city and county PICs, as well as individual differences in what is requested by PIC case managers. Despite these costs, the benefits to the firm of the customized training program well outweigh the costs.

In the course of discussions with the PIC, Pep Boys, and the training vendor, several barriers were identified to establishing customized training programs:

- There exists some skepticism within the private sector about establishing partnerships with government agencies such as SDAs.
- It is sometimes difficult for firms -- especially small and mid-sized firms -- to come up with the resources necessary to pay for the materials and equipment needed for training.
- Firms may not face a scarcity of particular types of labor within their locality.
- It can take a long time to negotiate arrangements between PICs and private firms. This particular arrangement took 18 months to negotiate. Typically, the legal departments of firms need to get involved in the negotiations.
- In the case of small and medium size firms, there are often not enough workers needed to justify the expense of developing a customized training program. This is a problem because much of the new job growth occurs in smaller firms. It is also these firms who can often least afford to pay for training and where many individuals receive training (i.e., it is where new workers often enter the marketplace).
- There is a lead time that firms must accept and plan for while participants are recruited, trained, and placed in jobs. With respect to the Pep Boys training program there is a 10-12 week lead time. It can be difficult for the firm to forecast needs for cashiers and sales personnel at area stores several months down the line.

Finally, in customizing programs to meet employer training needs, it is essential to gain input from the employer on the competencies and skills needed by trainees. Employers and trainers need to work closely together to tailor the curriculum and instructional methods. Once the training program has been implemented, it is necessary for the employer and trainer to work together to make adjustments so that the program effectively meets the needs of both the employer and trainees.

Contact: Lori A. Milburn
Pep Boys
1122 West Washington Blvd.
Los Angeles, CA 90015
(213) 745-5646

SOLECTRON

SOLECTRON CORPORATION

Summary

Solectron Corporation is a worldwide provider of electronics manufacturing services to leading electronics companies. Headquartered in Milpitas, California, Solectron also has manufacturing facilities in other areas of the U.S. as well as in Europe and Asia. Faced with a steadily increasing need for skilled assembly line workers for its growing manufacturing operations, Solectron partnered with the Center for Training and Careers (CTC) and the Silicon Valley Private Industry Council (PIC) to develop a 26-week classroom training program in the emerging field of surface mount/pin-through-hole assembly. The program is designed to provide training and practical experience in the manufacture and assembly of electronic components and systems for a range of industries. Solectron Corporation provided start-up resources and extensive input on the development of the curriculum so that those successfully completing the training course can move immediately into electronic assembly manufacturing jobs at the firm. Though not guaranteeing jobs, Solectron in practice hires successful graduates of the program who want to work at the firm. All graduates of the program have been placed in jobs, with about 80 percent going to work with Solectron and the remaining entering jobs with other Silicon Valley electronics manufacturing firms. CTC recruits trainees and assesses, selects, and provides instruction, tailoring (modeling) the program to the manufacturing process and equipment used by Solectron. CTC is a non-profit, community-based, vocational skills training organization, and it is approved as a vendor for training services by JTPA.

Description of Company

Founded in 1977, Solectron Corporation is located in Milpitas, California, (near San Jose) in Silicon Valley. The firm is a worldwide provider of pre-manufacturing, manufacturing, and post-manufacturing services to electronics original equipment manufacturers (OEMs). These services include product design and engineering, prototype development, supply base, and logistic management, printed circuit board and sub-systems assembly, and service, testing, product upgrade and repair, and packaging and distribution.

The firm has manufacturing facilities in several locations in the United States (Silicon Valley, North Carolina, Massachusetts, and Washington), as well as in Mexico, Europe (Scotland, Germany, and France), and Asia (China, Japan, and Malaysia). The firm's workforce, which totals about 11,000, has steadily grown in recent years. Fueled by the increasing trend among original equipment manufacturers to out-source an increasing percentage of their electronics manufacturing, Solectron's net sales for fiscal 1996 grew to a record volume of $2.8 billion, a 36 percent increase over the prior year's $2.1 billion in net sales. The firm, which places considerable emphasis on high quality customer services and a high performance workplace, was the recipient of a Malcolm Baldridge National Quality Award

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in 1991.

Purpose of the Training Program

Faced with a steadily increasing need for skilled assembly line workers for its growing manufacturing operations, Solectron Corporation partnered with the Center for Training and Careers (CTC) and the Silicon Valley Private Industry Council (PIC) to developed a 26-week classroom training program in the emerging field of surface mount/pin through-hole assembly. The program is intended to provide training and practical experience in manufacture and assembly of electronic components for computers and other electronic equipment. Within its high performance workplace, the training program is designed to enhance worker productivity, quality of workmanship and goods produced, and on-time delivery of manufactured goods.

The Training Program

Role of the Firm

Solectron's involvement in this training program dates back to about two years prior to the training program's initiation at CTC in July 1994. With steady expansion of its facilities and growth in the demand for electronic products by original equipment manufacturers, Solectron had an increasing and unmet need for skilled workers within its manufacturing process. The firm, a Malcolm Baldridge award winner, places strong emphasis on a high performance workplace and a quality manufacturing process, portions of which are highly automated and capital intensive. Assembly line workers often are working with machinery costing more than $1 million and involved in highly complex assembly and quality control work. In addition to facing a constrained supply of well-trained electronic assembly workers for its manufacturing process, Solectron has as one of its guiding principles a strong commitment to working closely with and serving the community within which it is located. Hence, it was looking for opportunities to collaborate with community organizations and to hire workers with the technical skills needed for its manufacturing process.

Solectron Corporation provided start-up resources -- worth about $40,000 -- to the training vendor (i.e., CTC), in the form of laboratory equipment and materials. The firm also played a key role in the design of the curriculum for the program, providing extensive input to CTC on the structure, content, and teaching methods to be employed in the 26-week training program. The curriculum was designed so that those successfully completing the training course could move immediately into electronic assembly manufacturing jobs at Solectron. The skills to be learned at the training program, while generally transferable to electronic assembly jobs for other computer manufacturing jobs, were specifically tailored to Solectron (i.e., so graduates are familiar with the equipment and manufacturing process used at Solectron).

Solectron provides additional equipment and materials as needed by the program, including computer boards, clothing, and other materials for laboratory work. A former Solectron employee (who now works for the training vendor) serves as the primary instructor for the training program. Solectron also provides periodic suggestions on how the curriculum and instruction provided under the training program might be improved.

There is no direct involvement of Solectron in the recruitment, assessment, or selection of individuals to participate in the training program. These functions are the responsibility of the training vendor. However, Solectron has provided input on the core competencies, skills, and basic attributes it is looking for in the types of individuals that it hires. It also provides input back to the training vendor on the quality of trainees that it hires. Although Solectron makes no formal commitment on the front-end to hire trainees in the program, in practice the firm hires successful graduates of the program who are interested in working at the firm. To date, the firm has hired about 80 percent of the graduates, with the other graduates moving into jobs with other Silicon Valley manufacturing firms.

The Role of the PIC

The principal roles of the PIC have been to facilitate the establishment of the customized training program and to provide payment to the training vendor for JTPA-eligible individuals enrolled in the training program. The PIC played a pivotal role in brokering the original partnership agreement among the three parties (i.e., Solectron, CTC, and the PIC). One factor that helped with the development of the initiative was that the PIC chairperson at the time of project development was a former employee of Solectron. Once the customized training program was negotiated and initiated, the PIC's primary role was to provide payment to the training vendor for JTPA-enrolled participants of the program. The PIC contracts out recruitment and enrollment activities to its vendors.

Role of the Training Provider

Under the program, the training is provided by CTC, a non-profit community-based, vocational skills training organization, located in San Jose. CTC, founded in 1977, is a PIC-approved vendor with an annual budget of about $2.5 million. CTC places strong emphasis on customizing training programs to address employers' needs and on preparing trainees for high-demand positions at firms within the region. In addition to the surface mount/pin through-hole assembler training program (which is the focus of this case study), CTC provides training in areas such as automated office technology, word processing, computer-assisted accounting, offset printing, computerized data entry, desktop publishing, and medical secretarial skills.

Under the surface mount/pin through-hole assembler training program conducted in conjunction with Solectron, CTC recruits, assesses, and selects, trainees as well as provides instruction. CTC conducts recruitment as part of its general recruitment efforts for all of its vocational training programs. CTC conducts the eligibility determination for JTPA and

objective assessment for each JTPA-eligible individual. Through interviews and testing, CTC determines the interest levels and aptitudes of candidates for its various training programs through a series of tests (e.g., math and reading competency levels, the Career Orientation Placement and Evaluation Survey (COPS), and the Career Ability Placement Survey (CAPS)).

CTC provides the training facility and instructors for the training program. As is the case which each of the courses it offers, office skills, writing skills, math skills, English skills, and employment readiness skills are incorporated into the surface mount/pin through-hole assembly training program. In addition, for more serious basic skill deficits, the CTC facility can refer individuals needing remediation to other service providers. The surface mount/pin through-hole assembly training program is an open entry - open exit program. CTC has a capacity for training up to 15 individuals in this program at any one time, with class sizes averaging 10 to 12 trainees. In designing the program's curriculum, CTC started with an existing electronic component assembly curriculum and revised the curriculum in response to suggestions by Solectron. While the training is specific to the processes and equipment used by Solectron, it is sufficiently general so that trainees can go to other electronic assembly manufacturers in Silicon Valley for employment opportunities.

A total of 780 hours of instruction (six hours per day) is provided under this training program, over a 26-week period. The basic methods of instruction are lecture and hands-on laboratory work. The program is designed to provide practical experience which will prepare the trainees to move immediately upon graduation into a surface mount and pin-through hole assembly position at Solectron or another electronic manufacturer. The participant is expected to develop the ability to understand the specialized terminology, and acquire the ability to identify and use the basic tools and equipment to solder, repair, and rework components. Instruction is divided into five basic course areas:

- Basic Electronic Components
- Introduction to Workmanship Standards
- Touch-up/Rework Soldering
- Inspection Procedures and Techniques
- Safety Procedures

CTC provides counseling services and other support services to trainees for up to a year after graduation. Graduates of the training program receive a certificate of completion.

Fees and Tuition

The Silicon Valley PIC reimburses 60 percent of the tuition costs to CTC at the time each individual starts the training program and 40 percent at the time of completion of training. Solectron, though not making a payment toward tuition for participants, does make in-kind contributions of materials and equipment for use in the laboratory portion of instruction. Trainees not eligible for a government-sponsored training program (such as JTPA

or California's GAIN program, which is California's version of the JOBS program), may pay tuition themselves.

Participant Recruiting

Most participants to the program are recruited by CTC, though they may come to the program from other sources. For example, the PIC or other government program, such as GAIN, may refer individuals to CTC for training. Some recruits hear about the program through family members, friends, or others who have graduated from the program. The only prerequisite for the program is that an individual speak, read, and write English. JTPA trainees must meet JTPA residence requirements and JTPA income guidelines.

While most trainees to date have had a high school diploma, some have not yet acquired high school diplomas or their GEDs. Most participants are Hispanic or Asian, with many speaking English as their second language.

Changes in the Program

With the exception of some changes in the curriculum in response to suggestions by Solectron, there has been little change in the basic structure of the program since it was initiated.

Outcomes

The first training program began in July 1994 with a group of six trainees. Through August 1996, a total of 33 individuals graduated from the surface mount/pin through-hole assembly training program. There have been very few dropouts from the program. Those graduating from the program receive a certificate of completion. Of the 33 receiving certificates of completion, all have been placed in jobs. Twenty-seven (82 percent) have been hired by Solectron; the other six have been hired by other electronic assembly manufacturers in Silicon Valley. Of those hired by Solectron, a high percentage are still working with the firm.

Those completing the course and starting work with Solectron receive $7 - $8 per hour. They are generally hired as temporary workers (with no benefits), but in most cases become permanent employees before the end of their first year with the firm (and generally within several months of starting with the firm). Workers also may get shift differentials (e.g., for working the night shift) and historically have had the opportunity for substantial overtime work. In addition, workers receive quarterly performance bonuses and salary reviews twice annually that result in wage increases.

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Lessons Learned

Solectron's experience with the customized training program for surface mount/pin-through-hole assembly has been very positive. It has been a winning proposition for everyone involved in the training program:

- The firm (Solectron) benefits from obtaining workers who are well-trained and can immediately move into manufacturing jobs. The program helps the firm by offsetting costs of training workers and helps to ensure that workers are productive from the first day they are on the floor at the manufacturing facility. It also helps the firm to recruit workers from the community and helps the firm's "bottom line" by contributing to a high performance and customer-focused workforce.

- The PIC "wins" because virtually everyone entering the training program completes the course work and retains full-time work in jobs paying (to start) $7-$8. This helps the PIC in meeting JTPA performance standards and enhances its reputation as a resource for high quality training services with employers, the training community, and prospective program participants.

- The training center "wins" because it is able to provide training which is valued by the firm and those trained. Payment for training services provided is partially linked to successful job placement of participants following training, which reinforces the importance of job placement as an outcome of the training. High job placement rates and high levels of satisfaction among both the employers and trainees help with building the reputation of the training institution and leads to other collaborative efforts in the future.

- And perhaps, most of all, the worker "wins" because he or she receives training that enhances employability and leads directly to well-paying and long-term jobs.

Solectron, the PIC, and CTC found that it took time (about two years) and a series of discussions to get the training program up and running. In customizing programs to meet employer training needs, it is essential to gain input from the employer on the competencies and skills needed by trainees by the conclusion of training. Employers need to work closely with trainers to tailor the curriculum and instructional methods. In this partnership, an employee of Solectron moved over to the training center to become the lead instructor in the program. In addition, if the training relates to a specific manufacturing process, it may be necessary for the firm to donate or make available equipment and materials for use during training sessions.

Based on the success of this initiative, the Silicon Valley PIC has been looking for other

opportunities to work with employers and training institutions to expand customized employer-based training programs. The PIC identified some of the barriers that need to be overcome in establishing such training programs:

- the occupation must be one in which there is growth and unmet demand within the locality;
- lack of available JTPA funding and the occurrence of funding cycles can delay implementation;
- because of perceptions of red tape, paperwork, and bureaucracy it is sometimes difficult to convince firms to work with the government on customized training programs; and
- firms are sometimes reluctant to make up-front donations of equipment needed for training or time to develop curriculum.

This customized training program highlights the important role that a training institution, such as a nonprofit vocational training organization or community college, can play in establishing and operating a customized training program. While the PIC established a conducive climate and provided a resource base for paying for training, most of the operational details of the program were left to the training institution and the firm to work out. For example, the training institution recruits, assesses, selects, and trains all participants in the training program. With help and input from the firm, it designed the curriculum and set up a laboratory facility to match the working conditions and processes that trainees will experience once they are on the manufacturing floor. The training institution also provides a range of basic skills and work preparation training as a complement to the technical skills learned in the training program. It also provides ongoing case management, counseling, referral to other service providers, and job placement/development to ensure that trainees successfully complete training and find and retain employment.

Contact: Angie Yepez-Carrillo
Solectron Corporation
132 Great Mall Drive, Building 17
Milpitas, CA 95035
(408) 957-3049

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TEMPSPLUS/STAFFING SOLUTIONS

TEMPSPLUS/STAFFING SOLUTIONS

Summary

TempsPlus/Staffing Solutions, a staffing or "temporary" agency founded in 1974, provides office automation training in popular business software packages for temporary and permanent employees through a sister company, JPC Computer Learning Center (JPC). Introductory, intermediate, and advanced levels are provided for entry-level and upgrading training. As a staffing agency, TempsPlus/Staffing Solutions stays attuned to the job requirements of the employers it serves and trains its workforce to effectively meet those requirements. JPC's on-site computer labs, located next door to TempsPlus/Staffing Solutions offices, supply instructor-facilitated, computer-based learning. The two companies, though independent, have joint ownership, and TempsPlus/Staffing Solutions contracts with JPC for its employee training. TempsPlus/Staffing Solutions provides free training to employees in exchange for a commitment to work for 160 hours for each course taken. In addition, the company provides training for participants of government programs such as JTPA Title II-A and JOBS (Job Opportunities and Basic Skills)[2]. These participants are trained as PC specialists, given training in business skills and PC (personal computer) basics as well as Microsoft Windows, Word, Excel, and PowerPoint, and are guaranteed a job with TempsPlus/Staffing Solutions if they graduate from the training program.

Description of Company

TempsPlus/Staffing Solutions specializes in placing workers in temporary and permanent positions in office environments, including secretaries, administrative assistants, accountants, and other professionals. TempsPlus/Staffing Solutions customers -- the corporations requesting assignment (temporary) employees -- include a variety of for-profit companies and non-profit organizations in the Northeast Ohio area. TempsPlus/Staffing Solutions, with five offices, currently has a permanent staff of 32 and 400 employees on assignment at any one time.

Assignment employees are not charged for placements; instead, the employers bear all costs. Employers, however, are guaranteed results: if the assignment employee does not perform to the company's satisfaction, a replacement employee is dispatched and/or a refund made. Pay rates for TempsPlus/Staffing Solutions temporary employees range from $13,000 to $50,000.

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[2]JOBS is a welfare-to-work program for Aid to Families with Dependent Children (AFDC) recipients. JOBS participants participate in approved education or training or job search activities and continue to receive their AFDC, child care, and other benefits while in training.

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TempsPlus/Staffing Solutions and its sister company, JPC, have common ownership. JPC has three learning centers located next door to TempsPlus/Staffing Solutions offices and provide office automation training, business skills training, and employability evaluation services. As a state-certified proprietary school, JPC offers certificates of completion that can be used by trainees as credentials. Each JPC Learning Center has a computer lab containing approximately 12 stand-alone 486 and Pentium 90 MHZ computers. (Computers are leased rather than purchased to allow for quick upgrades.)

JPC has three primary clients: the private sector (which includes but is not limited to TempsPlus/Staffing Solutions), the general public, and the public sector, including Cuyahoga County, the Bureau of Vocational Rehabilitation, Workmen's Compensation, Lake County, and the local Private Industry Council. For corporations, JPC provides employee training and employability evaluations for applicants. JPC can test aptitude, ability in particular software packages, and customer service and communication skills. Members of the general public can apply for admission to JPC and pay standard catalogue tuition rates for software courses. Government programs refer participants to TempsPlus/Staffing Solutions for training and jobs.

The site visit focused on training for participants of government training programs, and although JPC trains participants from JTPA Title II-A, JOBS, and other programs, these participants are referred to below as JTPA participants to avoid acronym confusion. The training provided to all government training program participants is the same.

Purpose of Training Program

The partnership with Cuyahoga County began more than two years ago when TempsPlus/Staffing Solutions realized it needed to be able to tap a larger workforce. The company could not meet the demand for trained office workers. Serving welfare recipients and dislocated workers seemed the perfect opportunity to find new workers.

Training for JTPA Participants

JPC trains JTPA participants to be PC specialists. TempsPlus/Staffing Solutions guarantees a job to each of the participants who completes the training program. They are guaranteed at least 32 hours of work each week (and are paid for 32 hours even if TempsPlus/Staffing Solutions cannot place them) and receive the same benefits as other TempsPlus/Staffing Solutions employees. Graduates are sent on assignments or work in TempsPlus/Staffing Solutions offices; at least one graduate of the pilot program has been placed with a client in a permanent position.

The PIC (and other government programs) refers potential students to JPC and TempsPlus/Staffing Solutions for evaluation. During the first cycle of training in 1995, the

county JOBS program referred 15-16 persons, and TempsPlus/Staffing Solutions accepted five based on interviews and the results of a criminal background check and drug screening (paid for by the company). TempsPlus/Staffing Solutions chooses participants they feel will be successful in an office environment because once the participants graduate, TempsPlus/Staffing Solutions guarantees them employment. These participants present special challenges. According to JPC staff, many of these students do not know how to interact with others in a professional setting; therefore, an important component of the training program focuses on communication skills.

Once hired, JTPA participants receive the same comprehensive benefits package as other TempsPlus/Staffing Solutions employees. Both temporary and permanent employees are eligible for health insurance, eye care, a 401K retirement plan, vacation and holiday pay, and life insurance.

Role of the PIC

The PIC recruits, screens, and refers interested JTPA clients to TempsPlus/Staffing Solutions. TempsPlus/Staffing Solutions requested that applicants be screened initially by the PIC based on: their goal orientation, commitment to the program, attitude, behavior, and ability to enter full-time employment. The PIC also pays the participants' tuition for the course.

Curriculum

JTPA participants are trained to be PC specialists which includes 167 hours of hands-on technical software training and 65 hours of workplace skills training in a 10-12 week program.[3] PC specialist technical training includes:

- Keyboarding -- 36 hours
- PC essentials -- 12 hours
- Data entry -- 24 hours
- Introduction to Windows 3.1 -- 16 hours
- AmiPro, Word, or WordPerfect for Windows -- 26 hours
- Excel, Lotus 1-2-3, or Quattro Pro for Windows -- 35 hours
- PowerPoint -- 18 hours.

Technical courses are taught in the JPC Learning Centers; JTPA participants use the same computer programs to learn the software packages as other JPC students and receive one-on-one instruction from center staff. JTPA participants are mainstreamed into the JPC

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[3]The PC Specialist certificate program is available to all students, though the business skills training is provided exclusively to government job training program participants.

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program; their courses operate during regular hours so that they have the opportunity to interact with other JPC students.

Workplace skills are taught by an instructor, through lectures and interactive exercises, in a separate classroom in the JPC Learning Center. Topics include:

- how to dress
- how to answer the telephone
- reporting to work on time
- attitude
- business English
- communication skills
- stress management
- office politics.

In addition to the coursework, students learn from a simulated office environment. They are required to report to class on time (all classes begin promptly at 8 am), to dress properly, and to treat the training as they would a job. Participants who cannot follow the rules are asked to leave the program. JPC believes that the strict discipline helps prepare students for the work place and builds responsibility.

Generally, JTPA participants attend courses five days each week. Eight hours (two days, four hours each) are spent in business skills training, and 20 hours (two days plus one half day) are spent in the computer lab. Students may sign up for additional study time on the computers in the evenings and on Saturdays.

The pilot program accepted five JOBS participants, and all five finished the program. JPC has received a new contract to train 30 JOBS clients between January 1, 1996 and June 30, 1996.

Fees and Costs

JPC has a standard fee schedule for courses. Tuition costs between $120 and $230 for courses that last from six to 13 hours. For example, the introductory course to Lotus 1-2-3 lasts nine hours and costs $140 while the advanced course is 13 hours and costs $230. Tuition for courses is based on the average time required to complete a course, and students may schedule extra computer time for $12 an hour. The PC Specialist training provided to JTPA participants (but also available to other students) is 250 hours (10-12 weeks), costing $2,112 per participant (JPC's catalogue tuition rate).

The PIC is charged $2,577 for JTPA participants. The higher rate includes workplace skills training, internships, and the extra mentoring and counseling required by these students (the workplace skills and other assistance provided to JTPA participants cost an extra $465 per

trainee).

TempsPlus/Staffing Solutions' contribution to the training included assigning a staff member, a Human Resource Specialist, to the program. This individual participated in the pre-training screening of candidates as well as the pre-training orientation to the training program. During the 10-week training period, he participated in weekly customer service workshops and did individual counseling of students. After employment, Staffing Solutions invested in 16 hours of advanced computer training for each student as well as mentoring during the graduates' first 90 days of employment.

Participant Recruiting

Participants are recruited by government job training programs, primarily through the JTPA and JOBS systems. Clients interested in office skills training are referred to TempsPlus/Staffing Solutions after an initial screening to determine goal orientation, commitment to the program, attitude, behavior, and ability to enter full-time employment. TempsPlus/Staffing Solutions then conducts interviews, background checks, and drug screenings and chooses candidates they believe to be appropriate for an office environment.

Changes in the Program

A 40 hour internship has been added to the course. During the final few weeks of training, JTPA participants work in positions provided by companies partnering with JPC. These internships, by allowing students to work and then return to the classroom for further study, have increased student motivation and performance. The internship companies do not pay participants a salary but are asked to provide an on-site mentor to assist the participant during the internship.

JPC staff identified a needed change in the JTPA training program: an expanded interpersonal communication program to continue through the first 90 days of work. This program would help participants deal with communications problems that arise on the job and give participants a forum to discuss work issues with one another.

Outcomes

In the first training course provided to JOBS participants, five entered training and five completed training. All were hired by TempsPlus/Staffing Solutions, and one later found full-time permanent employment with a major employer in the Cleveland area. In addition, TempsPlus/Staffing Solutions measures the outcomes of its employee training program in terms of salary: employees (all employees, not just JTPA participants) who

participate in the training program (taking at least one course) have an average annual increase in salary of almost $2,000 (employees who do not take training have flat annual wages).

The training participants we spoke with corroborated this increase: half had received pay raises of $.50 to $1.00 per hour following completion of a course at JPC.

Lessons Learned

TempsPlus/Staffing Solutions staff noted several lessons learned that could be useful for the Department of Labor or employers considering establishing EBT programs:

- People do not flock to training; they generally want an immediate job and do not want to be told they need to develop or upgrade skills. Training programs should market the training as a benefit to workers.

- JTPA and JOBS participants can be successful in training activities and find positions with decent wages and advancement potential. In addition to training that relates to a specific job, they need business skills training to prepare them for the workplace and individual mentoring and counseling.

- Success with disadvantaged populations depends on maintaining and demanding discipline -- many JTPA and JOBS participants had never been required to show up on time, be diligent, or be committed to a job. JPC demanded that participants view their training as a job.

- Programs serving JTPA or other disadvantaged populations need both training and placement facilities (placement is the ultimate goal).

- Employers must overcome their welfare stereotypes (TempsPlus/Staffing Solutions viewed this as the biggest fear for companies, not cost).

- TempsPlus/Staffing Solutions JOBS participants were skeptical of the job offer and did not believe they would be offered a real job following training, primarily because they had all been through various training programs before. With the previous training programs, no job waited for them, and they were soon shuttled into another training program.

Conclusion

In designing training programs, it is important to continually gather information about labor market requirements of employers so that training can be targeted on skills that will result in job placement and retention, as well as high productivity and wages. TempsPlus/Staffing Solutions was able to obtain up-to-date information about the types of job openings employers had and specific requirements for jobs because they were in constant contact with employers. TempsPlus/Staffing Solutions also was able to change and refine its training program because it received constant feedback from employers about the productivity of workers that they sent on temporary and permanent assignment.

The training provided through TempsPlus/Staffing Solutions was job-related and specific to the office environment (though computer and office skills training is generally portable). The cost of training was paid in a variety of ways -- and differed by individuals. Some of those receiving training paid directly for the training themselves in the form of tuition. These individuals hoped to be able to recover these cost through high wages. In some instances, TempsPlus/Staffing Solutions paid for the training, but the individual made a commitment to work on temporary assignment for the agency for 160 hours for each course of training received. With respect to JOBS participants, TempsPlus/Staffing Solutions received a payment for each individual who completed training. Indirectly, employers paid a portion of the cost of training through higher wages for employees and, possibly, as part of the fee charged by the agency for referral of workers from the staffing agency. In addition, private sector businesses (including both Fortune 100 companies and very small businesses) use JPC to provide training for employees and make their companies more productive.

The demand for skilled office workers within the locality was an important factor in the decision of the staffing agency to add a training component. The agency found that it could not fill 20 percent of requests by employers for skilled office staff. The training component has not only enabled the agency to better meet the demand for skilled office staff, but also helped to ensure that the agency was sending workers that could be productive from the first day they were on the job. Through the learning center, the agency has been able to better test the qualifications of its temporary staff before sending individuals out on assignments.

Customized training provides a win-win-win situation for TempsPlus/Staffing Solutions, JOBS participants, and the County Department of Human Resources. TempsPlus/Staffing Solutions receives trained and qualified PC specialists to send on temporary assignments. JOBS participants receive free training and a guaranteed job. Finally, the County Department of Human Resources is able to place JOBS participants in training and employment, thus increasing its placement rate.

Contact: Joe Francesconi, Vice President
TempsPlus/Staffing Solutions
27600 Chagrin Boulevard, Suite 300
Cleveland, Ohio 44122
216-595-2200

WISCONSIN ELECTRICAL POWER COMPANY

WISCONSIN ELECTRIC POWER COMPANY

Summary

Wisconsin Electric Power Company (WEPCO), an electric utility, collaborates with the local Private Industry Council (PIC) to provide training for entry-level line mechanics. Training is paid for by the PIC, and WEPCO has made both cash and in-kind contributions, including donation of a facility and equipment. The Milwaukee Area Technical College (MATC) provides instruction and curriculum development for the course.

Description of Company

WEPCO is a utility company located in Milwaukee with branch offices throughout the state. WEPCO provides electricity to Wisconsin residents with 4,400 employees. The number of line mechanics has been increasing; over the past five years, WEPCO added 30-40 new line mechanics each year.

WEPCO is undergoing a merger with Northern States Power Company (serving the Minneapolis area). Because of the merger, WEPCO instituted a hiring freeze, and no positions are currently being filled.

Purpose of the Training Program

WEPCO's customized training program with JTPA provides JTPA participants with the technical skills needed to begin work as entry-level line mechanics. Although four technical schools in the state offer line mechanic training, WEPCO wanted to offer its own program to target minority persons in the Milwaukee area to increase diversity and to increase retention at Milwaukee offices.

Description of the Training Program

WEPCO, in conjunction with the local PIC, established a customized training program offering entry-level line mechanic training to JTPA participants. WEPCO's first line mechanic training class began in August, 1993.

WEPCO had a continuing need for new line mechanics and regularly hired 30 to 40 line mechanics each year. Prior to beginning its customized training program, WEPCO and the Milwaukee Area Technical College worked together to provide line mechanic training without PIC support. The program was open enrollment, and WEPCO had little say about the

curriculum or the trainees selected for the program. WEPCO realized the need to establish a training program without open enrollment, that targeted minority applicants in the Milwaukee area, and that contained a curriculum more directly applicable to the company's needs. WEPCO generally hired line mechanics from MATC or the other three line mechanic training programs in the state. WEPCO's Milwaukee offices noticed, however, that line mechanics whose hometowns were not Milwaukee would often leave after a few months and transfer to a WEPCO branch office nearer home. The graduates of the training programs were also generally white men. WEPCO decided to begin its own training program, believing that targeting minority students from Milwaukee would improve both employment retention and workplace diversity.

In 1992, WEPCO began working with MATC to establish a line mechanic training program that would meet WEPCO's needs. Program development took eight months with MATC and WEPCO meeting to discuss curriculum. A senior WEPCO employee became senior instructor for the program, and WEPCO converted an abandoned substation into a training facility. WEPCO provided the substation, training equipment, a truck, and facility maintenance (particularly snow plowing during the winter) for the training program.

Following the nine month training, students are given the WEPCO line mechanic test (a test given to all prospective line mechanic employees). Only those persons who pass the test can be hired by WEPCO. In the first training class (1993), 16 persons entered training, 11 graduated, two passed the WEPCO exam, and one was hired. In the second class (1994), had no line mechanic positions open, and no one was hired. In the third class (1995), WEPCO tested the students plus those from the first class who had failed the exam. Five passed the test, and two were hired.

WEPCO does not make a commitment to JTPA to hire the trainees. WEPCO requires that anyone it hires pass the line mechanic exam, but passing the test is no guarantee of employment.

Those students who successfully complete the course but are not hired by WEPCO generally find jobs in the area with WEPCO subcontractors, construction companies, and with the local cable companies. Line mechanic skills are in demand in the area by cable companies, and graduates generally do not have difficulty finding work.

Training graduates hired by WEPCO believed that the training was helpful and adequately reflected the skills needed on the job. Their supervisors agreed and said that trainees who completed the training had skills comparable to those who completed other training programs and superior to those who were hired without training. These participants found out about the training from other WEPCO employees and from friends who worked at the YWCA PIC job center.

Trainees hired by WEPCO enter a company training program for their first four weeks

of employment. Over the first four years of employment, all WEPCO line mechanics receive 10 weeks and two days of formal training.

Wages for line mechanics who complete the JTPA training begin at $16.46 per hour. Mechanics who complete the training begin work at WEPCO as step two line mechanic trainees. Other entry line mechanics begin at step one; their salaries are slightly lower. Trainees have access to the same career ladder as other WEPCO employees: four steps as line mechanic trainees, six steps as line mechanics, and finally, journeymen.

Fees and Tuition

In the first year of the training program, the PIC paid 100 percent of the cost of the training. Since then, however, the PIC has moved toward requiring a financial commitment from companies using the customized training program.

WEPCO contributed $50,000 in cash and another $150,000 in in-kind contributions: the training facility, maintenance trucks, materials, and snow plowing for the facility. The PIC paid $90,000 toward the cost of the training, and MATC (the training provider) contributed $30,000.

Curriculum

The curriculum was developed with WEPCO and MATC using the VTAE industry standards for electric utilities; the program was accredited. The curriculum included first aid and math required by the industry standards; the rest of the training involves line mechanic skills, including pole climbing, the theory of electricity, and working with electricity. WEPCO customized the curriculum to meet its needs and takes the lead in curriculum development.

The training course included nine months and 960 hours of training. Training instructors were WEPCO employees, experienced line mechanics and supervisors hired by MATC as instructors.

Course topics included:

- ***introduction to electrical power distribution 1*** (digging and setting poles, climbing poles, stringing lines, splicing, installing protective devices, and energizing and de-energizing capacitors),

- ***electrical principles and applied mathematics 1*** (introduction to basic electrical principles and a review or arithmetic and algebra, including whole numbers, fractions, percentages, powers and roots, formulas, voltage, current, resistance, grounding, circuits, and electrical meters and instruments),

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- ***line mechanic rescue and safety*** (accident prevention and analysis, electrical shock, pole top rescue, first responder training, accident reporting and record keeping),

- ***electrical principles and applied mathematics 2*** (series and parallel circuits, electrical power, Pythagorean theorem, impendence, power factor, trig functions, plane vectors, rotating vectors, inductors, transformers, and capacitance), and

- ***line mechanic technical communications*** (reading technical documents, writing reports, writing letters, filling out applications, interpersonal communications, and people skills).

Participant Recruiting

Interested persons applied for the program through the regular JTPA application process. Wisconsin had four PIC job centers, and applicants applied for JTPA at any of the job centers. The Milwaukee YWCA job center, however, had lead responsibility for the line mechanic training, and applicants must eventually visit the YWCA for assessment.

The two-week assessment process included aptitude tests and JTPA certification. By requiring applicants to come to the YWCA each day for two weeks, JTPA ascertained whether they will be able to report to work regularly and on time. After the two week assessment period and after applicants had been certified JTPA eligible, they were ready to begin line mechanic training.

Training participants were not required to have a high school diploma but were required to pass basic reading and math tests.

The YWCA job center targets women and placing women in nontraditional employment (one of the reasons this job center had lead responsibility for the line mechanic training). In each of the three training line mechanic sessions held to date, one to two women participated. The women were all JOBS participants (rather than JTPA), but none was hired by WEPCO.

Outcomes

WEPCO's line mechanic training program has been in operation for three years, and few mechanics have been hired from the program. Of the three trainees hired (one from the first class in 1993 and two from the third class in 1995), all are still employed with WEPCO. All are minorities as well; the training program has helped WEPCO meet its goals of improved retention and diversity. No formal evaluation measures are in place or planned by WEPCO.

Other Training Offered

Although the focus of this site visit was the line mechanic training, WEPCO also discussed its computer training for JTPA and JOBS participants. WEPCO recently upgraded its office computers and wanted to put the old computers to good use. They set up a computer lab with 45 workstations in WEPCO offices and contracted with a non-profit training provider to provide office skills software training in Microsoft Word, Excel, Power Point, and Word Perfect (the training provider also has a lab with 45 workstations for the training). The training is 22 weeks, and WEPCO plans three training cycles per year. Persons generally find out about the training when they visit WEPCO offices to pay their bills. (They apply for JTPA and JOBS through the usual channels.) The PIC contributed $60,000 through a contract with the training provider to provide the instruction.

WEPCO felt a need in the community for more office skills/computer training, especially for African American men. The company also believes it is in its best interests to raise the standard of living of the community and its customers' ability to pay their electric bills. WEPCO recently graduated its first class of 52 computer trainees; some are hired by WEPCO while others find jobs elsewhere in the community. Pay rates for computer trainees begin at $8.10 per hour with benefits.

Conclusion

Wisconsin's JTPA programs (along with other job training programs) and WEPCO's JTPA-sponsored line mechanic training have been affected by the state's welfare reform initiative. The initiative requires that JTPA no longer pay for customized training programs that do not have firm hiring commitments from the sponsoring companies. While, according to both PIC and WEPCO representatives, all graduates of the WEPCO training could find work in the Milwaukee area without hiring commitments (with WEPCO or local cable companies), JTPA can no longer fund the training without the commitments. In addition, the YWCA, as the lead job center for the line mechanic training, submitted the last proposal for the training program; the PIC believed the proposal amount was too high and would not approve the proposal (the YWCA proposed budget was $150,000, but MATC charged $113,00 for the training).

WEPCO is undergoing a merger with a Minnesota utility company. Because of the merger and the planned loss of more than 1,200 jobs between the two companies, WEPCO has instituted a hiring freeze. No new line mechanics can be hired until the freeze is lifted, and WEPCO is unable to commit to hire a specific number of trainees. The line mechanic training has, therefore, been suspended.

The success of the program during its three year run was due largely to Wisconsin's booming economy. Even without hiring assurances from WEPCO, there were enough

companies in the area with line mechanic openings that graduates of the training could find work.

It is unclear whether, in the absence of a hiring freeze, WEPCO would make hiring commitments for trainees or sponsor the training itself without JTPA assistance.

Contact: Kurt Roussell, Community Relations Liaison
Wisconsin Electric Power Company
231 W. Michigan, P.O. Box 2046
Milwaukee, Wisconsin 53201
414-221-3634

YUMA ELEMENTARY SCHOOL DISTRICT #1

YUMA ELEMENTARY SCHOOL DISTRICT #1

Summary

The Yuma Elementary School District #1, a public school system operating in the Yuma, Arizona, collaborated with the Yuma Private Industry Council (PIC) to establish the Customized Transportation Apprenticeship Training Program. The training program is intended to recruit, screen, and train qualified individuals (mostly JTPA participants) to become school bus drivers. Recruitment of the program is conducted by the PIC. Following recruitment, candidates are assessed by the JTPA program and then attend a two-week life skills and pre-employment work maturity workshop operated by the PIC, entitled "New Perspectives." Trainees are then referred over to the school district for the bus driver training program, which is conducted over a five-week period, featuring 80 to 100 hours of classroom and "behind the wheel training." The first two weeks involve classroom training on the basics of driving a school bus. During the final three weeks, trainees practice what they have learned in the classroom behind the wheel of a school buses. All trainees completing the training course successfully are guaranteed a job by the school district and receive a starting hourly wage of $7.35.

Description of Company

The Yuma Elementary School District #1 is a public school system operating in the Yuma, Arizona. The Yuma Schools Transportation Center, under the jurisdiction of the school district, maintains and operates school buses for the school district. The school system has about 125 school bus drivers and needs between 25 and 30 new bus drivers each year to fill vacant positions.

Purpose of the Training Program

The training program is intended to recruit, screen, and train qualified individuals (mostly JTPA participants) to become school bus drivers. In recent years, the school district has experienced difficulties in recruiting qualified bus drivers to fill vacancies. Collaboration with the JTPA program helps both with recruiting and screening qualified candidates and offsetting the cost of training. Because the school district designed the curriculum and provides instruction, trainees emerged with the knowledge and skills needed to immediately move into school bus driving positions.

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The Training Program

Origin and Development of the Training Program

In November 1991, the Yuma PIC began looking for new, innovative ways to work with employers to assist in the vocational training and placement of JTPA participants into positions with at least 30 hours per week and fringe benefits. In December 1991, PIC staff met with the Superintendent and Assistant Superintendent of School District #1 to discuss the possibility of establishing a customized training program for school bus drivers.

The school district, which was expanding at the time, was faced with a critical shortage of skilled bus drivers. The system needed at least 25 to 30 new drivers for each school year and was finding it increasingly difficult to find and train new candidates. In addition, starting in 1992, new certification requirements went into effect, requiring school bus drivers to have a Commercial Drivers Licence (CDL), Class B. Prior to establishment of the training program, the school district assigned new hires to veteran bus drivers for instruction and on-the-job training.

In January 1992, the PIC and school district staff met again to discuss more specifically the basic structure and curriculum for the customized training program. It was agreed that the program would begin in June 1992, so that bus drivers would be trained and ready for assignment at the start of the school year. During the period leading up to the start-up of the program, the school district played a key role in the curriculum and instructional methods for the training program. The school district and the PIC worked together to refine and formalize the curriculum for the program. The school district also provided input to the PIC on the basic criteria for screening JTPA participants for entry into the program, as well as the timing of training sessions and the number of trainees that would be needed.

Basic Structure and Key Features of the Training Program

About 80 percent of those attending the bus driver program are recruited by and referred to the program through the Yuma PIC. The remainder (i.e., those not paid for by the PIC) come to the program by direct referral through the school district or other referral sources. All of those referred by the PIC, must first complete JTPA orientation, pre-application, and testing. JTPA applicants are interviewed by PIC case managers to determine their suitability for the program or other types of training offered through JTPA. A client assessment report is prepared by the PIC on each potential participant.

After assessment, candidates attend a two-week life skills and pre-employment work maturity workshop operated by the PIC, entitled "New Perspectives." Most of those planning to attend the bus driver training are included in the same workshop. The first week of the workshop is includes sessions on being a good listener, problem solving and decision making,

sociability, career exploration, communications, self-esteem, self-management, family health and nutrition, and money management. The second week focuses on pre-employment and work maturity skills, including sessions such as making career decisions, using labor market information, completing job applications and resumes, effective job interviews, mock interviews, punctuality, positive attitude and behaviors, appropriate appearance, and good interpersonal relationships. The New Perspectives program provides the PIC (as well as the client) with the opportunity to further assess the appropriateness and interest of the individual in pursuing the bus driver training program.

Following successful completion of the New Perspectives workshop, individuals are sent to the bus driver training program. Typically, 10 to 12 individual attend each training session. Generally, two training sessions are conducted during the summer months, with one or two additional sessions conducted at various times during the regular school year (depending on the school district's need for school bus drivers).

Each training session features 80 to 100 hours of classroom and "behind the wheel training." The first two weeks involve classroom training on the basics of driving a school bus and materials needed to pass the CDL Class B exam. During the final three weeks, trainees practice what they have learned in the classroom behind the wheel of a school buses. Behind-the-wheel instruction begins on a practice course the school district has set up in a public parking lot. With two trainees assigned to each instructor, trainees make their way around the obstacle course, practicing turns, parking, picking up passengers, and various other maneuvers. Once trainees have mastered the obstacle course, they begin to practice runs of simulated bus routes on the streets of the city.

At the end of the five-week training course, trainees take the test to obtain a Commercial Drivers License (Class B). When they pass the test, they are hired as school bus driver for the district.

Role of the PIC

The JTPA program plays several very important roles in this program. First, the PIC provided assistance to the school district with design of the program and reviewed the curriculum for the training program. Now that the program is up and running, JTPA recruits most participants for the program. As discussed below in greater detail (see Participant Recruiting), the PIC places an ad the local newspaper, handles inquires, conducts eligibility and in-depth assessment and pre-screening of candidates for the program. The PIC also operates a two-week workshop entitled New Perspectives (discussed above), which all candidates for the bus driver training program attend prior to entering training.

Fees and Tuition

The PIC pays for the costs of instruction for each individual enrolled in the training

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program. The costs of training to the PIC is about $1,300 per trainee.

Participant Recruiting

The collaboration with the PIC on this customized training program has helped the school district to overcome its problems with recruiting and training qualified drivers. Most participants of the training program are recruited directly through the PIC. In the period just before the start up of the class, the PIC runs advertisements in the local newspaper. The advertisement emphasizes free training and the a job at the end of successful job completion:

> "...Now recruiting for Transportation Apprentice Job Training Classes! No charge for training...Employment with Yuma Schools Transportation Center after successful completion...$7.35/hour starting salary..."

Interested individuals contact the PIC's Assessment Center to schedule appointments for eligibility determination and assessment. About five times the number of participants needed for each class are generally screened by the PIC for eligibility and appropriateness. Individuals are pre-screened by the PIC and must meet the following criteria to be considered for entry into the school bus driver program:

- be at least 22 years of age;
- be a high school graduate or equivalent;
- have a clean driving record;
- be able to pass a physical examination and drug test;
- not have a criminal record; and
- be eligible for JTPA.

A background check is made on each candidate's driving record to make sure the individual has a clean driving record (e.g., no Driving While Intoxicated (DWI) arrests or a patterns of speeding or reckless driver violations). In addition, a check is done with the FBI to make sure the individual does not have criminal record -- though the results of this check are typically not available until after the individual is enrolled in the program (but before they complete the training).

Changes in the Program

There have been some relatively minor changes made in the curriculum for the training program, but no major changes in the format or content of the training program.

Outcomes

The outcomes for the program have been very good from both the perspective of the school district and the PIC:

- 90-95 percent of participants complete training.
- Upon successful completion of training, all trainees are hired by the school system. Each is guaranteed at least 6 hours of work a day (for the first 90-days after hire) and most can get 8 hours if they desire full-time work. The starting wage is $7.35 per hour -- several dollars above what is paid by fast food restaurants ($4.25 per hour). This is a very good paying job for the Yuma area, where there are many minimum wage jobs and the JTPA wage at placement is $5.56.
- After a 90-day probation period, participants become regular employees; at one year they become contracted employees (with full fringe benefits of holiday, sick leave, and medical insurance).
- Of those that have gone through the training program since 1992, 74 percent are still employed with the Yuma Public School District.

Lessons Learned

The advantage of customized training is that the PIC is providing training for a job that is guaranteed if training is successfully completed. The PIC has been very satisfied with the training program because it is relatively low cost and results in a very high rate of job placement and retention. Also, in comparison to the local job market, the pay and benefits associated with working as a school bus driver are excellent. The PIC is looking for other opportunities to establish customized training programs.

The school district is pleased because it now has a steady and reliable source of well-trained school bus drivers. Where before it was having difficulty recruiting qualified candidates, it now has individuals who have been screened by JTPA for aptitude, interest, and suitability to become bus drivers. In addition, JTPA pays for the cost of assessment and training. Under the arrangement, the school district also plays a lead role in designing the curriculum and providing instruction, so trainees emerged with the skills they need to be effective on the job from their first day of work. The guarantee of a job is a "carrot" to the participant, to encourage completion of training.

Contact: Delma Wilson
Yuma Schools Transportation Center
450 6th Street
Yuma, Arizona 85364-2973
520-341-9076

IV. CASE STUDIES OF NON-JTPA FUNDED EMPLOYER-BASED TRAINING PROGRAMS

THE BOEING COMPANY

THE BOEING COMPANY

Summary

The IAM/Boeing Quality Through Training Program (QTTP) is a model joint union-management employee training program established solely for International Association of Machinists (IAM)-represented, hourly workers at The Boeing Company. QTTP is funded through contributions negotiated as part of the union's collective bargaining agreement. Boeing contributes $.10 per hour worked annually by IAM-represented workers or $10 million, whichever is greater. In comparison, Boeing spends an additional $200 million each year on its own training programs.

QTTP provides a wide array of valuable training, including educational assistance, re-employment services for dislocated workers, customized training for workers affected by technology change or job combinations, and career counseling. The program also has classrooms and a computer lab available for participants with on-going courses in basic English and math, English as a Second Language, American Sign Language, customized workplace skills, and computing.

The program is intended to help Boeing employees take advantage of changes in employment opportunities at the company. Employees can seek training and educational assistance to prepare them for jobs within or outside of Boeing. Training is individualized, and counseling and skills assessments are voluntary and confidential. QTTP's uniqueness is due to its emphasis on serving IAM-represented employees. Programs are designed to address their training needs and to provide training that is easy to access (i.e., workers can choose their own courses and do not need supervisor approval) and available at learning centers at or near the workplace.[4]

Description of Company

The Boeing Company, headquartered in the Seattle/Puget Sound area, is the world's leading manufacturer of commercial airplanes and one of the U.S.'s largest exporters. Boeing manufactures space systems, helicopters, military and commercial airplanes, and missile systems. Boeing jetliners carry more than 2.5 million passengers each day.

Boeing employs 107,000 workers worldwide in 10,000 job categories. Major job

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[4]QTTP, the focus of this site visit, is only one of Boeing's several training programs. Others include tuition reimbursement and are restricted to job-related courses and require supervisor approval.

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classifications include production workers, engineering and technical workers, general office staff, and professional and administrative employees. Of these, 25,000 are hourly workers represented by the International Association of Machinists and Aerospace Workers (IAM). Most workers are employed in the Seattle area, but Boeing also has U.S. employees in Wichita, Kansas, Philadelphia, Pennsylvania, and Huntsville, Alabama. Boeing spends $5 billion annually on its payroll.

Boeing, founded in 1916, had revenues of $19.5 billion in 1995, making it the number one U.S. aerospace firm in total sales. Eighty percent of sales are commercial, and twenty percent are to the U.S. government.

In the late 1980s and early 1990s, Boeing underwent substantial layoffs, reducing its IAM-represented workforce from 40,000 to 25,000. The Quality Through Training Program (QTTP) was begun in 1990 as part of the 1989 collective bargaining agreement between Boeing and IAM to retrain workers in danger of lay-off and to train dislocated workers.

Purpose of the Training Program

QTTP is a response by Boeing and IAM to changes in the workplace and to help affected employees (whether affected by lay-offs, job combinations, or technology change) best adapt to these changes. One of the most notable aspects of the program is that it was instigated by workers: workers wanted more training and negotiated the program as part of a collective bargaining agreement.

The Training Program

QTTP is jointly managed by Boeing and IAM. Two co-directors manage the program, and the full-time staff of 32 is split between management and union representation.

QTTP provides training to IAM-represented workers through several programs:

- Educational Assistance (funds for tuition, books, etc.),
- Re-employment program for workers affected by lay-offs,
- Customized training for workers whose jobs are affected by technology change or job combinations,[5] and

[5]Job combinations occur when two or more job descriptions are combined into one position. Often, employees in the new positions need training in the skills required by one or more of the combined jobs.

- Counseling and career advising and personal development.

The QTTP offices also contain classrooms and computer labs, used to provide ongoing English as a Second Language (ESL) instruction, basic English and math courses, and introductory computer courses. The computer lab is open from 7:30 am to 5:00 pm Monday through Friday for courses or individual study through available computer-based learning software programs. Courses provided on-site are taught by QTTP staff or contracted instructors from local community colleges and are free to IAM-represented employees (no fee is charged against their yearly educational assistance allotment).

Educational Assistance

The educational assistance program provides tuition vouchers for courses at any accredited community college or university. The approval process was designed for simplicity: employees complete a one-page application that does not require approval by supervisors, and return it to QTTP. Two full-time staff process the applications and send tuition vouchers to applicants, usually within two days. The QTTP Education Assistance program is unlike other Boeing tuition programs in three ways: 1) supervisors do not have to approve the request, 2) tuition is paid in advance rather than reimbursed, and 3) courses do not have to be job-related. QTTP will not approve recreational courses, though the distinction is sometimes blurred: one employee requested a scuba-diving course because he was retraining to become an underwater welder. QTTP approved the course.

Both active and laid-off workers are eligible for education assistance. Active workers are eligible for $2,000 per year while laid-off workers are eligible for $2,500 per year for three years following lay-off from Boeing.

While tuition is paid for correspondence courses, QTTP no longer pays the tuition in advance. Because of problems encountered with students enrolling in courses and never finishing them, QTTP will only reimburse active employees after the class has been completed and proof of payment presented. Laid-off workers are still eligible for advance tuition payment for these courses.

Several employees have completed degree programs paid for entirely by QTTP educational assistance. One laid-off worker attended community college for two years and completed an AA degree in machining. He was laid-off by Boeing as a grade 4 and re-hired three years later as a grade 8 machinist. He commented about the QTTP, "If you don't challenge yourself, you'll never know how far you'll go."

Re-Employment Program

QTTP helped plan and obtain funding for the Boeing Re-employment Program which was created in 1993 following an announcement by Boeing of substantial lay-offs. Developed

by a joint labor/management committee, the program runs two Re-employment Centers (one in Everett and one in Renton). The program is an example of a unique partnership; members of the committee now include: Boeing and IAM representatives, the Seattle Professional Engineering Employees' Association, the State Board for Community and Technical Colleges Consortium, QTTP, and the Private Industry Councils of King, Pierce, and Snohomish Counties. The Washington State Employment Security Department and the U.S. Department of Labor Region X office serve as ex-officio members.

The centers provide a wide array of services and were designed as "one-stop" shops to be as convenient as possible for dislocated workers. Services provided at the centers include: intake, assessment, testing, job counseling, job search assistance, Unemployment Insurance claims, resume preparation, computerized career planning, faxes and telephones for job searches, enrollment in training, entrepreneurial training, job placement services, and support services. A consortium of 17 local community and technical colleges facilitates employees' access to course registration, scheduling, financial assistance, and counseling.

QTTP provides career counseling and learning programs for laid-off workers as well as $2,500 annually in tuition reimbursement for those who do not quality for the retraining programs at the Re-employment Centers.

Customized Training

QTTP is well-equipped to respond quickly to training needs precipitated by technology change or job combinations. Departments experiencing training needs due to technology change or job combinations contact QTTP directly and request training assistance. QTTP does not approach the departments, instead waiting until the workers and management have identified a training need. QTTP has paid for the development of an interactive training video series for the chemical laboratory; new employees and employees needing skill refreshers watch the videos and complete workbook assignments. The videos pause at intervals and refer trainees to their workbooks to complete appropriate sections.

In job combination situations, QTTP staff work with department managers to develop job descriptions and analyze the skills employees might need in the new positions. They then have a range of training options: videos, workbooks, on-the-job training, and classroom training. Methods utilized depend on the skills needed and the preferences of the department.

QTTP's flexibility ensures that departments receive up-to-date training customized to meet their particular needs. QTTP allows departments to provide training in three functional areas: foundation skills, core Boeing skills, and job specific skills. Foundation skills include: English as a Second Language, math, writing, reading, keyboarding, problem solving, basic computers, and presentation skills. Core Boeing skills include: pre-blueprint or blueprint reading, precision measurement, and workplace math. Job specific skills are determined by the job.

QTTP is currently working with employees of the blanket shop[6] whose jobs are being eliminated (Boeing will subcontract the work). The blanket shop will close in 1998, giving QTTP two years in which to meet its goal of providing opportunities for blanket shop employees to enhance their foundation, core, and specific skills in order to be qualified for other employment positions. QTTP developed an action plan for assisting the 200 affected employees which includes:

- providing career advice and assessment of skills of current and new employees,
- identifying potential job openings within Boeing,
- determining skills required for the job openings,
- determining training needed for blanket shop employees to qualify for jobs,
- providing foundation, core, and job specific skills training, and
- placing employees into jobs.

QTTP will develop courses and help workers meet their educational goals to find employment within or outside of Boeing. Many of the employees are not native speakers of English; an ESL course has been established in the blanket shop as a first step to retraining. A career counselor has an office in the shop and spends most of her time there working with employees.

Career Counseling

Through QTTP's Horizons program, IAM employees are offered career counseling and advising. Job counselors are on QTTP staff to assist employees with developing career goals and plans. The counselors also conduct assessments of employees who request it, using conventional basic skills assessments and interest inventories.

Assessment and job counseling are completely voluntary. Employees may choose to use the services or may receive educational assistance or other services with no assessment or counseling. About 50 percent of all users of QTTP services see a job counselor at least once.

Counselors are employees of a local community college and are contracted to QTTP. Though they are technically employees of the community college, the counselors have offices at QTTP and spend 100 percent of their time at Boeing. This contractual arrangement was intended to facilitate issues of confidentiality. Job counselors maintain descriptive statistics about the employees they advise but impart no specific information about particular employees. They will not, for example, tell QTTP staff or employee supervisors which employees have low reading or math assessments. This degree of confidentiality is considered vital to the program by assuring employees that Boeing management will not learn of basic skills or other deficiencies.

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[6]The blanket shop produces fiberglass "blankets" used as airplane insulation. Blanket shop employees are mostly women with a large proportion of immigrant workers.

Fees and Costs

QTTP receives a minimum of $10 million per year from Boeing.[7] The program's annual allocation from Boeing is equal to $.10 per hour worked by an IAM employee or $10 million, whichever is greater. In 1994, QTTP spent $9.6 million of its $10 million budget. Sixty percent was spent on career/personal goals (advising, educational assistance), 17 percent on administration, 11 percent on technology change, 9 percent on laid-off/redeployed employees, and 3 percent on job combinations.

IAM employees pay no fees for QTTP services. Courses provided by QTTP on-site (such as ESL or basic math) are not charged to employee's annual educational assistance amount.

Participant Recruiting

QTTP recruits participants by sending flyers to departments and making presentations to employees. They have found that person to person contact generally works better than flyers and that using a union shop steward to introduce the program and familiarize employees with its benefits before a presentation is often the most effective.

About 15 percent of eligible Boeing employees have used QTTP services. In comparison, only four percent of Boeing employees have utilized the general Boeing training program.

Outcomes

During 1994, QTTP delivered 7,940 hours of ESL classes in the Puget Sound area to 166 employees who speak 10 different languages.[8] More than 10,000 workers who received lay-off notices have utilized re-employment center services, 3,100 have enrolled in re-training programs at the centers, and 856 of those persons have completed their training programs with an 82 percent job placement rate. For the educational assistance program, 4,024 IAM-represented employees received 6,637 education vouchers. The three most popular subjects studied were computing, math, and English.

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[7]In addition, Boeing spends an additional $200 million on other company training programs each year.

[8]These languages are: Thai, Cambodian, Chinese, German, Japanese, Laotian, Spanish, Korean, Vietnamese, and Filipino.

QTTP has also won several awards and recognitions:

- the 1994 21st Century Award presented by the Snohomish and King county Economic Development Councils,
- the "Hammer" Award from Vice President Al Gore, and
- recognition by President Bill Clinton and Secretary of Labor Robert Reich at the "What's Working in America" Conference.

Conclusion

QTTP provides valuable training services to Boeing IAM-represented workers but is especially equipped to respond to the needs of workers affected by lay-offs, technological change, and job combinations. The program is flexible and easy to use, allowing workers to by-pass supervisors and receive training assistance to further their careers within or outside of Boeing. One of the most innovative aspects of the program is its partnership between the union and company management. The program is co-directed by representatives of IAM and Boeing, and its staff of 32 is split between union and management representatives. This partnership gives the program added credibility with employees.

Training provided by the program is highly individualized. Career counseling helps employees design career and personal development goals. The education assistance program allows employees to take any non-recreational course, whether directly job-related or not. The program is able to quickly and creatively design training programs for departments undergoing technology change or job combinations, using videos, training manuals, or other instructional methods, depending upon needs of the department. The program responds to department requests, waiting to become involved until it is asked and the employees and their management have defined their training needs.

Despite their efforts to make training easy and beneficial, program staff noted a particular problem with employees who take non-job related courses. In 1994, the federal law exempting up to $5,250 of tuition, fees, books, and materials assistance for non-job related courses ended. Only courses related to an employee's current job are now tax exempt. The resulting confusion decreased the number of employees willing to take both job related and non-job related courses. Non-job related courses are subject to taxes of as much as 40 percent; the tuition assistance is included as income on the employee's pay stub, and taxes withheld. In addition, employees wishing to take job related courses must now complete a tax exemption form and have their supervisors verify that the courses are indeed job related.

Contact: Gary Jackson or Pat Parmley, Co-Directors
IAM/Boeing
Quality Through Training Program
6840 Fort Dent Way
Tukwila, Washington 98188
206-477-0012

ELGAR CORPORATION

ELGAR CORPORATION

Summary

The Elgar Corporation, located in the Sorrento Valley area of San Diego, manufactures programmable AC and DC power sources and power conditioning equipment for use in the Automatic Test Equipment (ATE) market. Faced with domestic and international competition in a field that places a premium on development and application of new technologies, Elgar determined that a company-wide training program was needed to upgrade the skills of its existing workforce. With funding from California's Employment Training Panel (ETP), the firm developed and implemented a customized training program, providing retraining for about two-thirds of its existing workforce of 360 managers and line personnel. This comprehensive retraining effort for incumbent workers provides classroom instruction and structured on-site training tailored to meet the needs of six distinctive groups of employees (from the upper management to line assembly personnel). The retraining effort is part of an overall effort by the company to make the transition from a traditional, top-down organizational structure typical of many U.S. manufacturers to a high performance workplace.

Description of Company

Founded in 1965, Elgar Corporation is located in the Sorrento Valley area of San Diego. The company manufactures programmable AC and DC power sources and power conditioning equipment for use in the Automatic Test Equipment (ATE) market. This equipment is used in a variety of applications such as defense electronics, utilities, telecommunications, automotive industry, data processing, avionics, military research and development, and commercial production. Elgar currently has about 360 permanent employees, of which about 40 are managers. The workforce, which is not unionized, includes managers, engineers, production planners, assemblers, quality inspectors, test technicians, computer programmers, sales staff, and other clerical/administrative personnel.

The company is a leader in several niches, but faces increasing competition both domestically and from abroad. In its application for ETP assistance, the firm indicated that it was facing increasing competition and potential loss of market share from U.S. firms (located on the East Coast), as well as firms in Europe and Japan. In addition, defense cutbacks were cited as further affecting sales, forcing the firm to look for ways to convert from a military focus and to consolidate and expand its commercial market base. As part of its strategy to diversify and expand into commercial applications, the firm acquired an Illinois electronic plant (Sorenson) in the months prior to initiating its training program, which added between 60 and 80 new jobs at its expanded San Diego facilities.

Purpose of the Training Program

Faced with domestic and international competition in a field that places a premium on development and application of new technologies, Elgar determined that a company-wide training program was needed to upgrade the skills of its existing workforce. According to a company spokesperson, "the goal of the training program is to raise the level of competence" of managers and line personnel. The program was initiated as part of what the company terms a "cultural change program," aimed at helping the firm make the transition from a "traditional, top-down organizational style typical of many U.S. manufacturers," to a "high performance workplace." As a result of employee empowerment, skills upgrading, and institution of a continuous improvement process, the company anticipates improvements in company-wide productivity, quality, and unit costs (see below for ways in which it operationalizes measures for each of these dimensions). Particular emphasis is placed on providing workers (from the top down to line workers) with the requisite knowledge and skills (through training) to eliminate waste and reworking during the production process and to stimulate new product development and competitiveness in the workplace.

The Training Program

Origins and Development of the Training Program

The origins of Elgar's training program dates back to several years before it received ETP funding through the State of California. As a result of domestic and international competition, as well as cutbacks in defense spending which forced the firm to consolidate and expand its commercial market base, Elgar instituted a "change program" two years prior to securing ETP funding. This change program featured an underlying strategy of increasing employee involvement in decision-making and a commitment to providing training to enhance the productivity of Elgar's workforce. Elgar worked with several educators at San Diego State University to establish a design for an employee training program.

In 1993, Elgar company officials identified California's ETP program as a potential source of funds to support training (and retraining) of incumbent workers. Despite some concerns about administrative complexity and reporting burden, Elgar saw the program as a potential source for upgrading the skills of its workforce and instituting a new corporate culture featuring employee empowerment and continuous improvement. Elgar wanted to make a comprehensive impact on its entire organization by providing training for all of its managers and most employees. Managers from Elgar's human resources unit worked with local PIC officials, San Diego State University educators, and ETP administrators on the design of the program. After long and complex negotiations, Elgar developed a training program that enabled the company to train nearly all of its managers and line personnel, met the rules of the program, and built in the types of monitoring that were needed to ensure that trainees received all of the training that was planned. A key in designing the program was to work closely with

PIC and ETP administrators, who understood ETP requirements.

Curriculum

The period of performance negotiated under the ETP contract is two years (December 1994 through November 1996) -- but actual training is to occur over an 18-month period, leaving time for start-up and a 90-day worker retention period required by the program. Under the terms of the contract, the maximum number of company employees to be enrolled in the training is 284 (out of a workforce of about 360 employees). Of those enrolled, the firm will receive a per trainee payment from ETP for up to 237 employees who successfully complete the training and are retained by the firm for at least 90 days. Elgar receives no reimbursement for individuals enrolled in the training program who fail to complete training or remain with the company for 90 days after training is concluded.

Worker training is provided through classroom instruction and structured on-site training (SOST). Nearly all of the training (i.e., both classroom instruction and SOST) is provided on the company's premises. The company has built a classroom at its headquarters where instruction can be provided. Depending upon the types of instruction being provided, Elgar uses in-house trainers (i.e., employees of Elgar) or subcontracts to a variety of consultants. For example, Elgar subcontracts to consultants for classroom training related to total quality management (TQM), management skills, customer service, sales techniques, and CAD/CAM training. Elgar has also hired an in-house technical trainer to help oversee day-to-day training and to lead some of the training sessions.

Most classroom training for non-exempt line personnel is provided during regular work hours (in the morning between 6:30 am and 8:00 am). Classroom training for managers and other non-exempt employees generally takes place between 4 pm and 7 pm (which represents ½ hour of company time and 2 ½ hours of the employees' time), though there have also been some Saturday sessions.

SOST is considered as integral part of the training effort that supplements and reinforces what is learned in classroom training. SOST tasks are typically performed on the job and are intended to provide the trainee with an opportunity to transfer the knowledge and skills learned in the classroom to specific work tasks. Instruction under this program component is generally provided by the trainee's supervisor and takes place during work regular work hours.

As part of its contract with ETP, Elgar established a detailed plan for providing training to each group of trainees. This plan identifies the number of workers to be trained, number of training hours (overall and by topic area), maximum trainee-to-instructor ratios, a schedule for progress payments as each trainee progresses through the training program, and an expected hourly wage when training is completed. In designing the training program, Elgar established specific ratios of trainees to each instructor for all classroom training (generally no more that 20

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trainees to 1 instructor) and SOST (generally no more than 10 trainees to one instructor). With help from San Diego State University, the PIC, and ETP, the training program has been carefully customized to the specific training needs of six distinctive groups of workers within the firm:

- Group 1: Facilitators -- A total of five managers/engineers are to be trained under this group. This group is viewed as "change agents" who encourage and remind employees of what they learned in training. This group is to ensure that the continuous improvement process continues well into the future. This group receives the following types of training: customer services, management skills, production techniques, and total quality management. A total of 280 hours of training is to be provided for this group, consisting of 124 hours of classroom training and 156 hours of SOST.

- Group 2: Sr. Manager, Manager, Supervisor, Engineer, Accountant, and Planner -- A total of 35 high level company managers/administrators are to be trained under this group. Training of this group is considered to be a key to the overall success of the training effort because it is this group that will have responsibility for overseeing day-to-day operations of the company and ensuring line employees are performing in an effective manner. This group receives the following types of training: customer services, management skills, production techniques, and total quality management. A total of 232 hours of training is to be provided for this group, consisting of 100 hours of classroom training and 132 hours of SOST. Training for this group is spread out over 18 months.

- Group 3: Production Planner, Engineer, Accountant, Programmer, and Buyer -- A total of 15 employees are to be trained under this group. This group receives the following types of training: manufacturing resource planning and production techniques. A total of 100 hours of training is to be provided, consisting of 40 hours of classroom training and 60 hours of SOST.

- Group 4: Sales Administrator/Engineer -- A total of 12 employees are to be trained under this group. This group receives the following types of training: customer service, manufacturing resource planning, production techniques, and sales techniques. A total of 104 hours of training is to be provided, consisting of 40 hours of classroom training and 64 hours of SOST.

- Group 5: Assemblers, Quality Inspectors, and Test Technicians -- A total of 150 employees are to be trained under this group. This group receives training in production techniques, which is aimed at improving techniques of line workers on the production floor (e.g., soldering techniques). This training is provided (on company time) over about a three-week period at the start of each work day for one and one-hours a day (from 6:30 am to 8:00 am). A total of about 15

individuals are trained at each session. A total of 120 hours of training is to be provided, consisting of 40 hours of classroom training and 80 hours of SOST.

- Group 6: Engineers -- A total of 20 engineers are to be trained under this group. This group receives training in CAD/CAM and production techniques. A total of 220 hours of training is to be provided, consisting of 120 hours of classroom training and 100 hours of SOST.

The curriculum and specific topics of instruction are specified in the contract.

Role of the PIC

As described earlier, the PIC was instrumental throughout the early planning stages in helping Elgar to secure ETP funds and in assisting with the design of the basic structure for the training program. In addition, Elgar contracts with the PIC to provide ongoing administration and oversight to ensure that the training program meets the rigorous standards imposed under the ETP contract. An important part of this administrative work centers on completion of paperwork required under the contract and is necessary to receive ETP payment. The PIC is reimbursed through the ETP contract for their administrative services, not to exceed 15 percent of total expenditures under the program. A PIC monitor has been assigned to Elgar and visits Elgar several times a week to complete necessary paperwork on each trainee. The PIC monitor has created individual case files for each trainee and records attendance (from attendance sheets completed at each training session) in trainee case files for each training session attended. The monitor also makes sure that trainees make progress on SOST so that training is completed on schedule.

Fees and Tuition

Funding for Elgar's retraining program is provided through California's ETP program, which uses state funds collected from employers through a tax on the unemployment insurance wage base to provide grants for training and retraining of workers in California firms. The program is aimed at maintaining the competitive position of California firms (with firms in similar businesses outside the state) and keeping firms from moving to other locations outside the state. Elgar's contract is for two years, the maximum period allowable under ETP. The total amount of the ETP contract is $333,130, though 15 percent of the contract amount is reserved for administration (which Elgar subcontracts to the San Diego PIC). Payment is made by ETP to Elgar in the form of several progress payments, as trainees progress through training. However, each trainee must complete all required hours of classroom and SOST training and be retained by the company for 90 days after training is completed for the company to receive any payment for training the employee. Payment through ETP is on a per trainee basis and varies in amount across the six groups of trainees:

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- Group 1: Facilitators -- a payment of $2,654 per trainee.
- Group 2: Sr. Manager, Manager, Supervisor, Engineer, Accountant, Planner -- a payment of $2,177 per trainee.
- Group 3: Production Planner, Engineer, Accountant, Programmer, Buyer -- a payment of $1,159 per trainee
- Group 4: Sales Administrator/Engineer -- a payment of $990 per trainee.
- Group 5: Assemblers, Quality Inspectors, and Test Technicians -- a payment of $1,146 per trainee.
- Group 6: Engineers -- a payment of $2,125 per trainee.

The company absorbs costs related to lost work time (and productivity) for hours spent in training during company hours. Workers do not have to pay any training costs; however, some training sessions for non-exempt workers (e.g., managers) are held outside of normal work hours for which the employee is not paid.

Participant Recruiting

As an incumbent worker program, there is no recruiting per se for this training program. As described above, the training program is designed to provide training for six distinctive types of workers within the firm. These six categories of workers cover most of the workers within the firm, including the following specific positions: buyer, engineer, production control manager, accounting manager, engineering manager, purchasing manager, program manager, management information systems manager, production supervisor, engineering supervisor, accounting supervisor, accountant, planner, administrator production planner, programmer, assembler, quality assurance inspector, test technician, and PCB designer. Only a few pockets of workers within the firm are not covered, such as secretarial/clerical, financial staff, shipping/receiving, and some other specialized positions within the firm.

Although training is not mandatory for workers that fall into the six groups, all workers within these groups are expected to participate. Workers need to receive an exemption from the president of the firm in order not to take part in the training. Under the contract with ETP, new employees must work at least 90 days with the firm before they are eligible for ETP-sponsored training.

Changes in the Program

Because the program was carefully designed from the onset and ETP requires strict adherence to the original plan set forth under the contract, there has been very little change in the program since it was initiated. The only change noted by Elgar officials was a change in instructors for one of its classroom courses, a change that needed to be formally agreed to by ETP.

Outcomes

In its contract with ETP, Elgar set out several objective measures for tracking the effectiveness of their retraining effort:

- Productivity Levels -- The company expects increases in productivity per Direct Labor Hour (DLH) of four percent over the first year following the ETP training.
- Quality Awareness -- The company expects that after training, process measurements will show that repairs and rework are down by 2.5 percent and that component waste is reduced by two percent.
- Unit Costs -- The company expects that as a result of ETP training unit costs per DLH will be lowered by four percent over the first year following the ETP training.

As yet, the company does not have empirical evidence of any of these measures, but the anecdotal evidence suggests that training is beginning to bear fruit. For example, the assemblers who have been trained have been following workmanship standards, and supervisors report quality improvements.

Outside of the formal measures, the company reports a number of other benefits of the training program:

- One of the spinoffs of the training program has been the establishment of a new screening process for all new hires. Before being considered for employment as an assembler, the job candidate must interview with the training specialist and demonstrate a level of competence. This pre-screening process has led to improvements in the quality of candidates considered for positions at the firm.
- Another spinoff of the retraining effort has been the establishment of a library of training materials for new workers at Elgar. The company has video taped classroom training sessions and placed copies of all training materials in the company's library. In the future, these materials will be used to train new hires

and serve as a basis for development of future training programs.

- Another spinoff of the training has been an improvement in the actual manufacturing process. One of the training consultants found that the company was using the wrong type of equipment for one of its processes -- and as a result, the company introduced a new equipment that has improved the manufacturing process.

Lessons Learned

Elgar's experience suggests several important lessons for establishing employer-based training programs in private sector firms:

- Although restrictive, public funding sources such as the ETP program can provide resources needed to design and implement a comprehensive training or retraining program. Elgar company officials noted that they would not have provided as comprehensive a retraining effort for their incumbent workers without the resources available through ETP (according to a company spokesperson: "We could not have justified as much training without the ETP assistance"). Participation in ETP was also helpful from the standpoint of providing a basic structure for the training program. The need to carefully plan the program to qualify for funding under ETP also encouraged Elgar to obtain expertise and suggestions on the design of its initiative from a number of sources, including the PIC, San Diego State University, training consultants, and ETP program administrators.

- Despite the advantages of receiving financial support through a program such as ETP, there are financial risks to the firm of receiving funding through public sources. ETP is risky if the firm has high turnover or experiences a downturn in business during the period in which training is being provided. Under ETP, no payment is provided to the company for individuals who start training but fail to complete training or who complete training but are not retained by the company for 90-days after training is completed. From Elgar's perspective, there is a risk that over the course of the training the firm could experience a drop in business, leading to lay-offs of personnel before they complete training and are retained for 90 days. The risk is especially great when training is spread out over a long period of time (such as for managers at Elgar, who were being trained over most of the 18 months of the ETP funding).

- Another problem firms can encounter in relying on public funding for training, is that program requirements can be such that it is not possible to mount the types of training desired by the firm or to reach the types of workers the firm is most

interested in training. At first, Elgar was pessimistic whether it could structure a retraining program under ETP regulations that could be customized sufficiently to reach most of its workforce and to cover the specific training areas each of its group of workers needed. However, with the help of ETP, the PIC, and other experts -- and a long and complex negotiation process -- the firm was able to draw up a training package that met its needs and the requirements of ETP.

- According to company officials, the documentation required by ETP has been both a "curse and a blessing." On the one hand, it has required the firm to maintain "tons of documentation" on the training provided and each individual receiving the training. But on the other hand, ETP documentation requirements have forced the company (and those involved in the training) to be much more disciplined. For example, it has forced structure upon the training program, providing a rationale for employees at all levels of the firm to take training seriously and document their involvement in the training. Because of the rigorous documentation requirements, Elgar contracted with the San Diego PIC, which made certain that all the appropriate systems and procedures were in operation to capture documentation needed to demonstrate that trainees completed training and were retained for 90 days.

- To initiate a comprehensive training or retraining program, it is essential for all employees (including management) to buy into the training effort. At the upper reaches of the company, support for training is needed because training has longer-term payoffs and may have considerable short-term costs, especially if the firm is fully paying the costs of the training. Elgar had the full support of the CEO of the firm with respect to the need for training, as well as how the program should be structured. It was also important to carefully explain the training program to managers and line personnel as well. For example, at the start of the program there was some worry among assembly personnel that if they did not do well in training they might lose their jobs. These fears, however, were eliminated after the training program was carefully explained to workers and the first group of trainees had gone through and completed training.

- Customizing training to the specific needs of workers is an important ingredient in the success of training programs. In designing its training program, Elgar divided the workforce it was planning to train into six distinctive groups, then carefully tailored training to the on-the-job needs of each of the groups. In addition to soliciting the help of outside training experts, the firm also obtained input directly from workers on the types of training they felt they needed to be more productive and effective in their jobs.

- The structured on-site training (SOST), while vital to reinforcing and extending what was taught through classroom sessions, was sometimes a difficult concept

for managers and employees to understand and implement. Some employees were unsure about what types of activities qualified as SOST. Elgar officials had to carefully monitor this component of the training program and provide frequent reminders to some managers and trainees about the need for a certain number of hours of SOST to be completed before the company could receive reimbursement through ETP for a trainee.

Contact: Tom Erickson, Vice President
Elgar Corporation
9250 Brown Deer Road
San Diego, CA 92121
(619) 450-0085

FINANCIAL PARTNERS

FARM CREDIT FINANCIAL PARTNERS, INC.

Summary

Farm Credit Financial Partners, Inc., located in Springfield, Massachusetts provides a range of financial and training services for Agricultural Credit Association (ACA) offices located in the Farm Credit system's Northeastern Region (which covers New England, New York, and New Jersey). Among Financial Partners' most important functions is to plan, coordinate, and provide training for new and incumbent workers at ACA regional and branch offices spread throughout the northeast region. Through its START (STandard Association Readiness Training) Program, Financial Partners recruits and trains new recruits to fill vacancies at ACA regional and branch offices. This program provides the necessary training and on-the job experience so that new workers can effectively move into positions as loan officers and other professional positions within the Farm Credit system. Financial Partners also coordinates a variety of other training programs and courses for incumbent workers, generally in the form of one- to three-day workshops focusing on improving worker skills and productivity.

Description of Company

The Farm Credit system is a national system of agricultural lending institutions, founded in 1917 to promote the growth and prosperity of agriculture in the United States. The Farm Credit system makes available a variety of loans -- such as mortgages, seasonal loans, personal loans for home improvement, and lines of credit with fixed and variable rates -- for farmers, fishermen, agricultural cooperatives, farm-related businesses, nursery/greenhouse operators, loggers, part-time farmers, rural utilities, and country home buyers. Over the years, the Farm Credit system has evolved into more than just a lending institution. It has gradually built up a diversified range of financial services to assist its borrowers and the agricultural communities it serves. Among the financial services provided are automated record keeping, payroll software and other accounting software, tax planning and preparation, Social Security analysis, business consulting, appraisals, equipment leasing, and credit line insurance.

The Farm Credit system is broken down into 12 regions within the United States, which includes the Northeast Farm Credit Region (the focus of this case study), which serves farmers in New England, New York, and New Jersey. There are a total of 27 Farm Credit offices in the Northeast which provide loans and other financial services for over half the farmers in this region, with 16,000 borrowers and more than $2 billion in loan volume.

In the early 1990s, the Northeast Farm Credit Region launched a $20 million re-engineering effort aimed at improving long-term services to its agricultural customers and

reducing the costs of operations. This major restructuring and downsizing effort resulted in many changes within the northeast region, including closure of branch offices and reorganization of regional offices, early retirement for many veteran employees, reassignment of many employees to new roles, and integration of new technologies and processes. As part of this restructuring effort, in January 1995, Farm Credit Financial Partners, Inc. was established as a separate corporate entity. In establishing Financial Partners, the Northeast Farm Credit Region sought to consolidate business services and training services needed to support the operations of the five ACA regional offices and 27 branch offices into a single operation (located in Springfield, MA).

Financial Partners, Inc. provides a range of business services for the ACA regional and branch offices, including accounting services, financial services, business research, human resources, information technology, legal services, marketing communications, payroll, training, strategic business consulting, and process reengineering. Financial Partners is directed and receives nearly all of its operating revenues through the five ACA regional offices (i.e., the five ACA presidents serve as Financial Partner's Board of Directors). Despite this clear focus on the operations of the Farm Credit system, Financial Partners is looking for opportunities to expand its customer base beyond ACA regional and branch offices in the northeast region. For example, the firm has developed several business software packages, which it is attempting to market to other lending institutions. The firm is also interested in marketing its training services to other financial institutions and feels it offers a number of other financial services that would be of interest to other private sector firms.

Purpose of the Training Program

One of Financial Partners most important functions is to plan, coordinate, and provide training for new and incumbent workers at ACA regional and branch offices (within the Northeast Farm Credit Region). Through its START (STandard Association Readiness Training) Program, Financial Partners recruits and trains new recruits to fill vacancies at ACA regional and branch offices. This program recruits recent college graduates and provides the necessary training and on-the-job experience so that the new workers can effectively move into positions as loan officers and other professional positions. Financial Partners also coordinates a range of other training courses intended to upgrade skills and the productivity of incumbent workers within regional and branch offices.

The Training Program

Basic Structure and Key Features of Training for New Workers

Financial Partners, Inc. plays a central role in the recruitment and training of new workers for ACA regional and branch offices. The START Program was established

within the Farm Credit system over 20 years ago to facilitate the recruitment and training of new professional workers (especially loan officers). When it was founded in 1995, Financial Partners took over responsibility for coordinating this program and customizing training provided through this program to meet the needs of regional and branch offices. Each year, the presidents of the five ACA regional Farm Credit offices in the northeast region estimate the number of new workers that will be needed to fill vacancies for credit and financial services positions. In recent years, there have been between 8 and 12 vacancies within ACA regional and branch offices, most of which are for loan officers.

Each winter, the coordinator of the START Program and representatives from the five regional offices visit college campuses to interview prospects for the START Program. For example, during the past year, interviews were conducted with 50 candidates on 12 campuses. Most candidates for the program have college degrees in agricultural economics, accounting, finance or business, and also come from farm backgrounds. Once selected, START Program participants become employees of Financial Partners, Inc. and are paid $27,500 a year.

As a group, START participants begin by attending an intensive one-day orientation sponsored by Financial Partners. This orientation session provides an introduction to the Farm Credit system, including an overview of its services and operations. Following this orientation, each START participant is assigned to one of the ACA regional or branch office. At the regional or branch office, trainees are apprenticed to association experts in their chosen field -- credit, financial services (e.g., taxes and record-keeping), or a combination of both. At first, the trainees work in tandem with their mentors; for example, they will accompany their mentor to assist with taking a loan application from a farmer and help with analyzing the request. Gradually, the trainee takes on more and more responsibilities of the job -- for example, meeting with customers, taking their loan applications, making credit recommendations, and preparing tax returns. The trainee can remain within the START Program for up to one year, though most are placed in new job openings at the branch or regional offices before the year concludes (generally after four to eight months in the START Program).

In addition to receiving intensive on-the-job instruction, the participants of the START Program attend a series of workshops sponsored by Financial Partners. Among the courses provided for START participants are:

- "Using Computer Based Credit Delivery and Analysis Technology" -- This two-day session teaches basic and intermediate skills to enable users to generate basic loan documents and analysis forms for loan packets. The workshop also includes instruction on how to use proprietary software to develop and analyze loan requests.

- "New Credit Representative Legal Workshop" -- This two-day workshop covers basic legal topics including the Uniform Commercial Code, personal property, the use of real estate mortgages, and basic loan agreement issues through a

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combination of case examples and lecture format.

- "Credit and the Art of Lending Skills - I" -- This five-day workshop, also referred to as "Rookie Camp," is designed to reinforce individual training received at the ACA level and the principles taught in correspondence courses (see below). This program focuses on basic credit and collateral evaluation techniques, and acquainting the participant with the financial and business operations of Farm Credit, while building basic selling and communication skills. Participants also meet members of Financial Partners' departments and learn the region's lending and marketing philosophy and objectives.

Financial Partners also provides two correspondence courses for START participants (as well as for other newly hired financial services or credit representatives). Typically, START participants work through each chapter of the correspondence course workbooks and complete exercises at the end of each chapter. Mentors provide guidance and answer questions that START participants may have as they proceed through each chapter of the correspondence course workbooks. Mentors also review practice exercises and regularly check on the progress that START participants are making. Financial Partners offers two correspondence courses:

- "Credit Correspondence Course" -- This course is designed to supplement the credit principles, loan servicing, product knowledge, and techniques explored in other workshops and the on-the-job training received by START participants. The training modules focus on loan analysis, servicing, product knowledge, eligibility, trend analysis, cash to accrual analysis, net worth reconciliation, earned net worth change, real estate appraisal, loan related legal requirements, loan condition/agreements, computer-based credit delivery and analysis, and intermediate credit analysis.

- "Appraisal Correspondence Course" -- This course is designed as a foundation course for individuals who will be involved in real estate appraisals and valuations.

Over the years, a high percentage of those individuals recruited by the START Program have successfully moved into positions at ACA and branch offices within the Farm Credit system. For example, of the 12 who started in July 1995, nine had been placed by April 1996 in positions within ACA and branch offices. In most years, about 90 percent of START participants move into positions within ACA regional and branch offices.

In addition to the START Program, Financial Partners coordinates an internship program. As part of this program, it recruits college juniors to come to a week-long program during which the students receive an introduction to working within an agricultural lending institution.

Financial Partners also coordinates a variety of other training programs and courses for incumbent workers within ACA regional and branch offices. These training programs are generally in the form of one- to three-day workshops focusing on improving workers skills and productivity. Each of the five ACA regional offices has an Association Training Contact responsible for registering its employees for training programs sponsored by Financial Partners. Once the five Association Training Contacts notify Financial Partners about their employees' plans to attend specific training sessions, Financial Partners makes a final decision about whether there is sufficient number of trainees to merit forming a class. Financial Partners arranges for the instructor and a site for each training program, and along with the instructor, develops workshop curriculum. Some examples of the workshops being offered for incumbent workers during the current year include:

- "Intermediate Credit Analysis Skills II-A" -- This three-day program focuses on expanding the understanding of and the interplay between the following topics: cash and earning accrual, financial analysis ratios, the borrower education process, liquidity, and borrower negotiations. This workshop is for credit representatives and credit analysts with a minimum of one or more years of experience and is part of the second year of the new credit representative's training.

- "Intermediate Credit Analysis Skills II-B" -- This two and one-half day program focuses on recognizing deterioration in credits, appropriate loan servicing, dealing with FHA or other guarantors, bankruptcies, foreclosures, and other litigious actions. This workshop is for credit representatives and credit analysts with a minimum of one or more years of experience and is part of the second year of the new credit representative's training.

- "WinCAP Refresher," "WinCAP - Behind the Scenes," and "Complex Loan Analysis" -- These workshops are designed to provide an introduction and more complex instruction on how to use WinCAP, a software used within branch offices for taking and analyzing loan applications. "WinCAP Refresher" is a one-day introducing to WinCAP, including inputting financial information and report generation. "WinCAP - Behind the Scenes," designed for the experienced WinCap user, provides a deeper understanding of how WinCAP works, including the flow of numbers from one module to another. "Complex Loan Analysis," a two-day workshop, provides instruction on more complex and advanced features of WinCAP, including hands-on computer use and case studies that address the more complex financial analysis concepts such as ratio analysis, inventory analysis and monitoring, cash versus accrual source information, and a range of other functions. This third workshop is for credit personnel dealing with more complex loan situations, and requires a solid understanding of financial analysis

fundamentals and rudimentary competence in WinCAP and Excel.

- "Executive Committee Credit Simulation" -- This two-day seminar for loan officers who have been making or beginning to present loan packages to loan committees provides instruction on assembling complex loan packages and presenting them to executive credit committees.

- "Accounting, Cash Flow, and Ratio Analysis" -- This is a three-day seminar focusing on cash flow issues which relate primarily to agricultural lending.

- "Timber Industry Seminar" and "Greenhouse Industry Seminar" -- These are customized one-day seminars for credit professionals who are or will be lending to the timber industry or greenhouses/nurseries. For example, the Timber Industry Seminar provides an overview of the timber industry and economic outlook for Northeastern producers. Credit analysis tuning and tools, collateral evaluation tools and process, and marketing tune-up/discussion particular to the timber industry is also provided.

Financial Partners also sponsors several other workshops and seminars focusing on preparation of tax returns for agricultural customers, including "Introduction to Corporate Taxes,""Tax Correspondence Follow-up Sessions," and Selected Tax Topics."

Financial Partners coordinates management training to assist each of the five ACA regional and branch offices to upgrade professional staff to management positions. The Management Development Program is an 18-24 month program designed to introduce and reinforce management practices to selected participants. Each Management Development Program contains 16 participants nominated by their respective management's and selected by ACA presidents. The program is a series of modules, held in blocks of several days, two to four times a year. Modules typically include theory, but place a strong emphasis on hands-on experiences, discussions with practitioners in outside firms, and outside readings.

Financial Partners has also established a Managers Institute for managers within the Farm Credit system, with an emphasis on training branch managers. This program is a collection of workshop sessions focused on pressing contemporary management issues facing ACA regional and branch offices. Topics covered include those that would be particularly relevant to effective management of a branch office, including: delegation, team building, operating the model branch, equal employment opportunity, motivating employees, expectations setting, and performance evaluation. During the current year, two institutes are planned, each running three days.

Financial Partners also coordinates training in the area of office automation. One- and two-day workshops are offered on commercial software packages (e.g., Microsoft Word, Excel, and PowerPoint), as well as more specialized software used for loan processing, tax preparation,

and appraisals. Since the restructuring of Farm Credit, there has been a particular emphasis on upgrading the computer skills of clerical staff so that they can assume a more diverse range of support functions.

Finally, Financial Partners also provides or arranges for customized training at the request of individual regional or branch offices to meet their specialized training needs.

Role of the PIC

Financial Partners has not received funds from their PIC or other public programs to support their training efforts.

Fees and Tuition

Financial Partners charges a tuition fee for each individual attending training sessions, which is billed to the ACA regional or branch office for which the employee works. Each regional and branch office establishes a budget to cover the costs of training for their workforce. For example, a branch manager indicated that his branch budgeted about $1,500 per employee annually to cover tuition costs for workshops. Tuition charges are typically in the range of $150 to $300 per attendee for most workshops lasting between one and three days; though tuition for the 18-24 month Management Development Program is set at $3,000 per trainee (for the entire training program).

ACA regional and branch offices absorb costs related to lost work time (and productivity) for hours spent in training during company hours. Workers do not have to pay any training costs. While most training is provided during working hours, participants in correspondence course offered through Financial Partners often spend some time outside of normal work hours completing studying and completing exercises.

Participant Recruiting

Recruitment for participants of the START Program is rigorous, involving several levels of screening. Each winter, the START Program coordinator and representatives from the five ACA regional offices visit college campuses to interview prospects for the START Program. For the last START class formed, close to 100 resumes were reviewed for entry into the program, and interviews were conducted with 50 candidates on 12 campuses. Most candidates for the program have college degrees (usually undergraduate) in agricultural economics, accounting, finance or business, and come from farm backgrounds.

Recruitment for training of incumbent workers is through referral of individual workers by ACA regional and branch offices. Most training courses are targeted on particular types of workers (e.g., second year loan officers) and some have prerequisites (e.g., attendance at a

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lower level workshop or completion of a correspondence course). Financial Partners "e-mail" program announcement forms to each of the five regional Association Training Contacts 6 to 8 weeks prior to each training session. The Association Training Contacts then notify regional and branch managers and employees of training programs offered. Branch offices notify Association Training Contacts of the individuals who will be attending each training program, who in turn notifies the training coordinator at Financial Partners.

With regard to training under the Management Development Program (which is limited to 16 participants for each session, which are held about every two years), participants are nominated by their respective regional or branch offices and then are selected by the five ACA presidents.

Changes in the Program

The Farm Credit system has had a long-standing commitment to training both new and incumbent workers. For example, the START Program has been in existence for over 20 years. However, the formation of Financial Partners as part of the restructuring of the Northeast Farm Credit has created a more formalized structure for training within the system. Financial Partners is responsible for designing and coordinating training provided for managers and workers within the five ACA regional and 27 branch offices. Financial Partners has developed a manual describing each training module, tuition charges, and the schedule of each training module.

In training workforce within the northeast region of the United State (with branch offices distributed from Maine to Western New York State and down to Southern New Jersey), Financial Partners must give careful consideration to the long distances individuals must travel to attend training sessions. For example, travel time can be as long as eight hours from some outlying branch offices to Financial Partner's office in Springfield, MA. Increasingly, Financial Partners is looking to innovative ways to deliver training directly to branch offices, without the need for trainees to travel to Springfield, MA. Among the methods that Financial Partners is increasingly relying upon are:

- Correspondence Courses -- A workbook is developed with exercises (e.g., on how to take and assess loan applications), and trainees are assigned to a mentor at a branch office who provides guidance and reviews the trainee's progress in completing the course.

- Teleconferencing -- Financial Partners provides one- to two-hour training sessions through telephone conference calls for workers at branch offices. If the training is computer-related, often a diskette is sent in advance so those who are being trained can follow the training on a step-by-step basis on their PC. This type of training is most effective if the training subject is narrowly focused and

lasts no longer than two hours.

- Computer-Based Training -- Financial Partners is increasingly looking at ways in which the computer and Internet can be used to train workers at remote sites. It has been developing software tutorials and training manuals that can be used by workers to learn new software applications.

Financial Partners is placing increasing emphasis on providing "just-in-time training" and "cross-training" of workers. "Just-in-time" training emphasizes breaking training into modules that are tailored to job-specific needs of workers and provided so that the training can be immediately used by trainees in their jobs. Another theme that is being emphasized is cross-training so that workers can be deployed in a variety of financial services tasks.

Finally, Financial Partners has recently added a lunchtime training series aimed at the 40 employees at its home office -- called "Learning at Lunch." These one-hour sessions are targeted on specific topics -- for example, providing training on new features of a recently released software upgrade.

Outcomes

Financial Partners has not established specific performance measures for tracking the results or effectiveness of training. However, the training effort is viewed as an integral part of improving the efficiency and cutting costs with ACA regional and branch offices. For example, training on new software applications is viewed as critical for branch loan officers effectively analyzing and making sound decisions about whether to extend loans to individual customers. Introduction of new software has also enabled branch offices to streamline processing of loans and other financial operations -- and hence, to increase overall productivity. The START Program is viewed as essential for recruiting and training loan officers and other management personnel at the association and branch levels, and the Management Development Program is viewed as providing the training necessary for the next generation of managers and supervisors within the Farm Credit system.

Lessons Learned

Financial Partner's experience suggests several important lessons for establishing employer-based training programs in private sector firms:

- Customizing training to the specific needs groups of workers is an important ingredient in the success of training programs. Financial Partners provides a wide range of training programs carefully tailored to the individual needs of specific groups of workers within the ACA regional and branch offices. Financial

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Partners is open to suggestions from regional and branch offices on the types of training needed by their workers. The fact that each regional/branch office pays tuition for each course its workers attend and can go to other training providers if desired, creates an internal market mechanism for training ensuring that Financial Partners provides high quality and useful training.

- One of the problems that Financial Partners has to overcome is that workers are spread out in branch offices over a considerable distance. Branch offices are located as far as 6 to 8 hours by car from Springfield, MA, and because of costs, airline travel is usually not an option. In addition, some workers have positions or family responsibilities which make it difficult for them to travel or be away from the office for three or four days for training. As a result, Financial Partners has been looking closely at how it can effectively deliver training to workers at their branch offices. Among the strategies that Financial Partners has been emphasizing are teleconferencing, computer-assisted instruction, correspondence courses, and sending trainers or contracting with local trainers for delivery of training services at the branch office (see above for discussion of these various methods).

- To initiate a comprehensive training or retraining program, it is essential for the company president on down to workers to "buy into" the training effort. At the upper reaches of the company, support for training is needed because training has longer term payoffs and may have considerable short-term costs, especially if the firm is fully paying the costs of the training. Financial Partners has the full support of each of the five regional association president with respect to the need for training, as well as how the training program is structured.

Contact: Arthur K. Lash
Assistant Vice President, Training
Financial Partners, Inc.
P.O. Box 9062
67 Hunt Street
Springfield, MA 01102
(413) 789-2541

GOODWIN HOUSE RETIREMENT COMMUNITY

GOODWIN HOUSE RETIREMENT COMMUNITY

Summary

Goodwin House is a 28 year old, nonprofit, continuing care retirement community. The 500 person staff includes nurses and therapists, as well as beauticians, food service staff, maintenance workers, and administrative staff. Employee training has been a priority since the organization's inception. Training is provided to all employees through a combination of in-house and outside speakers in mandatory training sessions and voluntary in-service training. Training is open to all employees, though certain sessions may be targeted to particular departments. Mandatory sessions for all employees include annual fire safety and infection control programs and six annual sessions on the Total Quality Management (TQM) program instituted in January, 1995. Voluntary in-service sessions include a variety of topics: effective communication, goal setting, and dealing with difficult people are examples of recent training. For employees with limited English skills, Goodwin House provides a voluntary English as a Second Language program through a contract with a workplace literacy education provider, Arlington Education and Employment Program.

Description of Company

Goodwin House began with one building in Alexandria, Virginia, in 1968, and expanded to a second building in Falls Church, Virginia, in 1988. Between the two buildings, there are approximately 500 staff and more than 400 residents. Goodwin House provides three levels of living for residents: independent living (residents have apartments in the building and live without assistance), assisted living (for residents who need some assistance with daily activities), and nursing care (a more traditional nursing home environment for residents needing 24 hour care).

Staff departments include: administration, accounting, beauty shop, chaplain, clinic (two nurse clinicians are on staff, and physicians come in periodically for visits), dining services (including nutritionists, chefs, cooks, waiters, dishwashers, utility persons), environmental services (housekeeping, laundry, maintenance, purchasing), front desk, health services (assisted living and nursing units staffed with RNs, LPNs, and CNAs, an art therapist, a recreation therapist, and social workers), information systems, marketing, medical claims, medical records, personnel, pharmacist, physical therapy, quality and staff development, resident services (resident activities), and volunteer services.

Staff turnover at Goodwin House averages 17 percent annually in comparison to a health care industry average of 94 percent. The reasons for low staff turnover are not entirely clear; staff salaries are no higher than at comparable nursing homes. The Director of Quality and Staff Development, believes that the staff-to-patient ratio, which is the lowest she has

encountered, attracts and retains employees.

In January, 1995, Goodwin House instituted a Total Quality Management (TQM) program. The program, called Quality Now, was implemented through an employee training program that trained all employees in a six week period.

Purpose of Training Program

The training program is intended to contribute to staff development (as evidenced by the training department's name, Quality and Staff Training). Some training is required by state review or accreditation agencies while other training is developed to meet the professional needs of the organization. English as a Second Language training, the focus of this site visit, is intended to increase resident satisfaction with employees and employee morale.

The Training Program

Training has been provided by Goodwin House to its employees since its inception and generally falls into two categories -- professional development and personal development -- and may be mandatory or voluntary. Employees take 12 hours of mandatory training each year. Mandatory and voluntary training are offered by in-house staff and outside experts each month for all employees. This site visit, however, focused on the English as a Second Language (ESL) training provided to primarily entry-level workers in food service, housekeeping, the beauty shop, and nursing.

This site visit paid particular attention to the English as a Second Language instruction. The ESL program was begun to address resident and staff complaints regarding staff members who could not speak or understand English. Goodwin House employs a sizeable number of non-English speaking employees. In the food service department, for example, English is a second language for 70 of the 90 employees. In the housekeeping department, 10 of 25 employees speak English as a second language.

In 1991, Goodwin House was approached by a health care association to become part of a grant for ESL instruction in the health care and hospitality industries. The grant, for workplace literacy through the U.S. Department of Education, was administered by the Arlington Education and Employment Program (REEP) which provided the ESL instruction. Under the grant, REEP provided 60 hours of free instruction to employees; Goodwin House was responsible for providing employee release time, a room for the training, and materials. In 1992, Goodwin House applied for another grant through REEP to continue the training and become a Learning Corner site. The Learning Corner program provided ESL software for employees to use to practice their English skills after class. Goodwin House provided computers and space for employees to use.

When the grants ended, Goodwin House decided to continue its ESL program. Currently, two ESL classes per year are offered; each lasts 60 hours. Classes take place two nights a week from 7-9 pm. Goodwin House pays REEP for the ESL class (which includes the instructor and curriculum) and provides the room (courses take place at Goodwin House) and materials. Employees do not receive release time and may take the course as many times as they like.

One innovative aspect of the program is the use of resident volunteers to practice English with employees. A group of interested residents volunteers to sit with employees at lunch and speak with them in English or help them practice their skills.

Employees who complete the course are recognized in the Team Update (a newsletter of the Quality Now program), receive a certificate, and participate in a graduation ceremony.

Curriculum

For Goodwin House's ESL class, REEP uses a standard curriculum developed during its workplace literacy grants. The course now focuses more on life skills or general workplace skills that are common to all employees (earlier, different courses were offered to employees from separate departments and focused on skills needed for particular jobs).

Examples of competencies learned in the course include:

- Personal Identification: identify self, ask and answer simple questions, write name, complete simple forms.[9]
- Read Work Schedule: identify days and dates, tell time, request schedule change, write date and time, calculate hours worked.
- Answer Requests for Supplies: identify supplies, answer requests, offer assistance, apologize, read names of supplies, count supplies, complete supply request form.
- Follow Instructions/Describe Job Tasks: request clarification of task, verify task, give instructions, estimate time needed, identify furniture and fixtures, identify tools needed.
- Report Work Progress: Answer simple questions, respond to praise and criticism, report progress.

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[9]The skills listed here are examples and do not include all skills in the competencies for this job.

- Discuss Performance Evaluation: Respond to praise and criticism, identify ratings, read performance evaluation.

- Report Lateness/Absence: identify self on telephone, state problem, make a request on the telephone, state intention to return to work, complete sick leave forms.

- Give Directions to Places: answer requests for directions, identify location of property facilities, give directions, identify signs on property, interpret ordinal numbers and fractions.

- Report/Prevent Accidents/Emergencies: identify safety signs, report accidents, warn others, read chemical labels report form, dial security or emergency phone number.

- Report Repairs Needed: identify and report problems, identify room numbers, fill out work orders.

- Read Paychecks/Timecards: identify terms on stub, read abbreviated timecards, endorse check, calculate pay.

The curriculum focuses on workplace competencies rather than English proficiency. REEP emphasizes to employers that a 60 hour ESL course cannot make students fluent in English or increase their proficiency levels. However, the course can help students learn English associated with specific tasks.

Fees and Costs

Goodwin House has a $40,000 annual training budget administered by the Director of Quality and Staff Development for all training offered by the organization. In addition, each staff department has its own small training budget.

The English as a Second Language (ESL) course costs $2,500 for a 60 hour course. Goodwin House pays the entire course fee, and employees are not charged. However, for ESL instruction, employees do not receive release time for participation.

Goodwin House receives no job training subsidy funds from the Job Training Partnership Act (JTPA), Job Opportunities and Basic Skills (JOBS), or state or local sources.

The ESL Training Provider

The Arlington Education and Employment Program is part of the Arlington County

(Virginia) Public School System. REEP was established in 1976 as a demonstration program through funds from the U.S. Department of Health and Human Services, Office of Refugee Resettlement. The demonstration was intended to teach English to 60 refugees and place them in jobs in 90 days.[10] The program served refugees exclusively for the next six years until a study conducted for the county noted a demographic shift and the large numbers of immigrants moving to the area. REEP was expanded to serve any person needing ESL instruction. REEP currently serves about 800 individuals each year through 3,000 ESL slots (some individuals take more than one course per year).

Fifty-five percent of REEP's budget is generated by tuition charges to students; 45 percent is provided by the county. Categorical grants to serve special populations (such as workplace literacy grants) supplement these funds.

REEP provides ESL instruction through classes taught at the Clarendon Education Center and through its workplace literacy program. These courses include (tuition is noted in brackets):

- Intensive ESL, 12-week courses taught during the day (15 hours per week [$190]) or in the evening (9 hours per week [$150])
- TOEFL (Test of English as a Second Language) preparation
- Adult Learning Center -- computer-based instruction [$80 for 25 hours and $160 for 50 hours]
- English Classes for International Students
- Extension ESL classes -- non-intensive, beginning level courses taught by volunteers [free]
- Workplace literacy -- offered on a contractual basis with area businesses [$2500 for 60 hours, no limit on the number of students].

REEP has recently begun a workplace "train-the-trainer" effort at a local business. The business approached REEP to provide ESL courses on-site but could not afford the fee. The business and REEP agreed on an economical way to provide ESL through the use of volunteers. REEP is developing a curriculum to train employees as volunteer ESL instructors; these instructors will provide ESL classes at the work site for employees.

REEP has developed several curricula for different hospitality industries (health care, hotels). In addition, REEP has developed a computer-based learning software program for ESL

[10]The demonstration found this goal to be too optimistic.

instruction and practice and a ten lesson video ESL course. The video is available commercially through Addison-Wesley Publishing and through the Public Broadcasting System (PBS) via satellite.

Participant Recruiting

Training at Goodwin House is open to all employees (some training is mandatory for some or all employees). Employees can sign up for training they wish to take; supervisors reschedule employees and try to accommodate employee requests for training.

Goodwin House prepares a monthly calendar of all training sessions that is posted in the facility and distributed to employees. Employees are encouraged by their supervisors to participate in training, though different departments place more or less emphasis on employee training. For example, employees in the nursing department and in the beauty shop indicated that their supervisors encouraged them to attend as many training sessions as possible. An employee in the laundry unit, however, was unaware of some of the training sessions mentioned by other employees during our interview.

Changes in the Program

The ESL program has changed substantially for employees. The change most commented on by staff and their supervisors was the course time change. Classes are now offered after work hours, and employees are not reimbursed for their time. Previously, while receiving support through REEP's workplace literacy grant, Goodwin House scheduled the course during the lunch hour.

Problems with the lunch course were noted by both employees and supervisors. Participants often felt pushed for time and noted that they had to rush to finish their work. Supervisors believed that employees not in training often felt resentful of the ESL participants (because they sometimes had to "cover" for ESL participants) and that rescheduling tasks around the ESL lunch hour was difficult.

Although participants unanimously praised the ESL program, they were divided in their response to the new ESL course time. Some employees preferred attending after work hours because they had more time to complete their work tasks. Others, especially those who lived far from Goodwin House, felt that returning to work at 7 pm after leaving work at 3 or 4 pm was too arduous.

Under the workplace literacy grants, separate courses were offered for employees working in different departments (one for food service staff and another for housekeeping staff, for example). The curricula focused on needed workplace skills for each department. Now,

Goodwin House pays for one course; the curriculum focuses more on life skills.

Goodwin House plans to add ESL software to its computer resource room in the next few months so that ESL students can practice their skills on their own time. They chose the software in conjunction with REEP and are establishing their own Learning Corner, similar to the Corner they hosted under a REEP workplace literacy grant.

Other changes in non-ESL training include: 1) beginning in 1996, all employees must attend all mandatory training programs or lose their pay increases, and 2) child care for employees who participate in training after their work hours (except for ESL).

Outcomes

Goodwin House maintains no records of outcomes and conducts no evaluations of any of its training sessions. As noted earlier, the expected outcome of the ESL course is not to improve English proficiency, but rather to increase students' workplace literacy in English. Goodwin House noted the outcomes of the ESL course as increased morale, better service to residents, and better retention. Students felt the course had been helpful to them in their jobs, but most had taken the course several times in order to increase their English competency.

Conclusion

The ESL program Goodwin House provided is not only a successful general training program but an example of a successful public-private partnership. Goodwin House is not responsible for developing a curriculum or providing the actual training. A public training provider (part of the county school system) provides curriculum development and instruction. Goodwin House does, however, provide elements as important: a conducive environment (in which employees are encouraged to improve their English skills), volunteer tutors, and a class at no charge to employees. It should be noted that establishing the ESL course was a business decision for Goodwin House. Residents (their customers) complained about employee English skills. When the course interfered with work (as evidenced by supervisor and other employee complaints), the course was moved to an after-hours schedule.

Goodwin House is able to provide a wide range of training from the very technical to the most general, with one full-time and one part-time training employee. It is able to do this largely through partnerships -- with REEP (the ESL training provider) the University of Virginia, and training consultants -- and use of their own staff who are experts in particular fields.

The director of Quality and Staff Development had one suggestion for companies

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considering establishing an employee training program: companies should not presume they know what the training needs are. Goodwin House suggests holding roundtables with employees and supervisors or conducting a needs assessment. The employees, they contend, are best able to identify their own training needs.

Contact: Fran Casey, Director of Quality and Staff Development
Goodwin House Retirement Community
3440 South Jefferson Street
Falls Church, Virginia 22041
703-820-1488

Contact: Kathleen C. Reich, Workplace Coordinator
Arlington Education and Employment Program
Clarendon Education Center
2801 Clarendon Boulevard, Suite 218
Arlington, Virginia 22201
703-358-4200

GR SPRING AND STAMPING

GRAND RAPIDS SPRING & STAMPING, INC.

Summary

Training at GR Spring and Stamping (GRS&S) is fully integrated with the organization's restructuring and culture change to make it a world class manufacturing organization. The company's training and restructuring initiatives began in 1985 with the implementation of statistical process control (SPC). Since then, GRS&S has adapted the teachings of a number of well known consultants to become more customer-focused, improve quality, implement management changes, and improve communications and problem solving with employees. In the process, it became evident that a major constraint preventing the company from attaining a higher performance level was the need for training and education in specific technical areas. From this initial problem identification, followed by training which yielded positive results, the company has pursued a strategy of continuous quality improvement which includes extensive training, performance monitoring, assessment of training needs with respect to performance, and provision of additional training based on identified needs.

Description of Company

Grand Rapids Spring and Stamping, Inc. is a small, privately owned manufacturer of a variety of products which include compression, extension, and torsion springs; stampings for progressive dies and four-slide products; roll forming; wire and grommet molding; and various assembly processes. The company's 1995 sales were about $16 million, with about 70 percent of sales to the automotive industry. Other industries supplied by GRS&S include appliances, office furniture, and electronics. The company has 130 employees, is non-union, and employs two shifts of workers, operating over a 20-hour period.

The company was established in 1960, and was purchased by its current owners in 1985. The company's owner and president knew that competitive pressures in the industry would require GRS&S to improve quality and reduce costs. Computerization in this industry has shifted the emphasis away from machines where everyone has one specific job, to a culture that depends upon employees who are well trained with both technical skills and problem-solving skills. The president started by introducing statistical process control, hiring an SPC coordinator to prepare training materials and holding several in-house seminars. He then became aware of the strategies of world class management and became a strong proponent of them. His approach seems to be working--the company has quadrupled in size since 1985. To serve customers well, GRS&S has tried to focus on a smaller number of customers. GRS&S has 45 customers now, as compared to 650 in 1985.

The company is organized into four mini-companies, essentially along product lines.

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The four mini-company presidents report to the "company bankers," the President, General Manager, and the Plant Manager. Each mini-company presents a formal written report to the bankers on a monthly basis, reporting performance in the areas of quality, cost, delivery, safety, and morale. Employees at all levels participate in committees/focus groups that include at least one representative from each mini-company. Committees address: Safety, Culture, Workplace Organization, PIT Crew (reducing machine set-up time), Preventive Maintenance, Sample Board, and In-Process Problems.

The company president is closely involved in management, starting with the hiring of new employees. Job candidates are interviewed by three people: the president, the appropriate mini-organization president, and the plant manager. GRS&S believes that, at the entry level, attitude is the most important quality to consider in a job applicant. There are no prerequisites other than passing a drug screening test. Entry level workers at GRS&S don't need a high school diploma. The company president noted that many of those that started in entry level positions have moved up. One of their quality managers started as a janitor at GRS&S. At least 30 of their current employees started at GRS&S earning minimum wage. Even language skills are not a barrier to employment-- GRS&S has brought in interpreters when needed, and will hire someone with limited English ability as long as safety and quality concerns can be addressed. The key characteristic they look for is a willingness on the part of applicants to learn and advance themselves. If these criteria are met, the company will pay for the training and education needed for the job. A popular company expression is "fail forward." While there is no formal advancement plan and employees are hired for a specific job, the understanding is that if the employee is interested, the company will provide training for a more technical job. Since there are few levels of management at GRS&S, advancement along a structured hierarchy is not the norm. GRS&S has a generally young workforce, and most opportunities are created by expansion.

GRS&S has implemented a number of incentive programs which encourage employee participation in continuous quality improvement and training activities. Management shares financial information with employees and explains how employee actions, performance, and technical skills affect the bottom line. Employee suggestions are encouraged. GRS&S tracks implemented ideas, recognizes them on a "World Class Idea Board," and has a small cash promotion to encourage employees to submit ideas and have them implemented. Ideas can be submitted that address any aspect of improvement--quality, cost, delivery, safety, or morale. The company also has an employee bonus system based on quality improvements and profits.

Purpose of Training Program

GRS&S uses training in many ways. The purpose of their training program is not just to teach technical skills, but also social skills, behavior modification, and facilitation of corporate culture change.

Description of Training Program

GRS&S strives to be a "Learning Organization," offering many and varied opportunities for learning. The key training programs described below are: indoctrination and mentoring, orientation/quality training, lifelong education, outside educational programs and specialized programs, apprenticeship programs, internships for high school students, and job shadowing for children of employees.

Training costs are part of the company's operating budget. There is no separate human resources or training budget. GRS&S has a training coordinator, who also serves as computer systems administrator. This individual is a certified quality engineer, who prepared the orientation curriculum, teaches some of the orientation classes, updates training materials, and monitors all training activities, both in-house and external classes and workshops. Most specific training is done in-house. GRS&S develops its own training materials based on identified needs, sometimes with the help of outside consultants. The company employs a few consultant on a regular basis as facilitators. Since there is no specific budget set aside for training, each mini-company approaches training differently, depending on their needs. For example, the spring mini-company has purchased an interactive video on CD-ROM from the Spring Manufacturers' Institute.

In general, managers try to send as many people to training as possible if it will help in their jobs. There are some logistical constraints in a manufacturing plant, however. For production to continue, you can't take everyone off the shop floor at once. GRS&S has addressed this constraint in two ways. Lifelong education activities are offered at different times over two days to give everyone a chance to attend. In addition, all lifelong education sessions and many technical presentations are videotaped to be viewed by employees at a time that fits their schedule. The company also maintains an extensive video and print library for employee use on topics such as high performance companies, organizational change, and global competitiveness.

Indoctrination and Mentoring

On the first day of work, each new employee is assigned a mentor who does the same type of work that they will be doing. The new employee shadows the mentor for 30 to 90 days with a gradual weaning. A two-day new employee indoctrination program is scheduled once per month. Since each employee has a mentor, they can start work before they have completed their indoctrination. Indoctrination topics include: plant tour, vision/mission, safety, quality, tagging, traceability, measuring tools, skills charting, statistical process control, and motivational videos and are taught by GRS&S staff. On the first day of indoctrination, new employees have lunch with committee chairpersons; on the second day the indoctrinees have lunch with the mini-company officers and management.

Orientation/Quality Training

An 18-week orientation/quality training course is required for all new employees on the shop floor and in engineering. All classes are open to all other staff with the approval of their supervisor. Training is provided by the training coordinator and other GRS&S staff. The course covers SPC concepts, computer system, overall quality focus, basic math skills, equipment training, and blueprint reading (recently added). Each class is two hours long and is offered two times on one day per week. The weekly classes run continuously. An employee starts the class at the topic being offered when he/she completes indoctrination and continues until all classes have been completed. Each employee receives a notebook of printed materials for the course and must be checked off on each module of the orientation training. There are skills tests for most of the topics covered and written tests for some of the modules. The training coordinator is working on having a test for each class. Instructors and supervisors push hard to have everyone pass, and they work individually with those that have difficulties with the material. A certificate of SPC education is awarded upon completion of the course. Employees submit a recommendation/ evaluation form on the complete series.

Lifelong Education

All employees attend a one-hour lifelong education session every other week. Classes are offered four times on Mondays and once on Tuesdays. Classes are videotaped for those who are unable to attend a scheduled session. About 80 percent of the classes are on business-related topics, but sessions have also addressed issues such as health assessment, fitness, and managing personal finances. Topics are chosen based on identified needs and employee suggestions. There are thirteen routine topics that are repeated every year, such as company vision/mission, safety, quality, continuous improvement/culture/attitude, employee handbook, computer system update, and housekeeping. Three of the thirteen routine sessions are on cultural exchange, where employees of different cultural/ethnic backgrounds share traditions about their own culture. Employees often present lifelong learning classes on their outside educational activities such as conferences or workshops. Outside speakers are also brought in for some of the sessions, particularly those on technical topics.

Outside Educational Programs and Specialized Programs

In addition to the educational programs described above for all employees, each mini-company sets its own level and type of educational programs depending upon technical needs and employee interest. Outside speakers might be brought in to present technical seminars to employees working in specialized areas, such as sensors and probes. Employees can also request approval for outside classes, workshops, or conferences. These must be approved by the mini-company president. Employees have been sent to technical trade shows, site visits to exemplary programs, and to meet with customers in this country and abroad. Approval is generally based on whether the supervisor feels the employee will benefit from the outside educational activity on the job. Since mini-company presidents do not have a set training

budget, the decision is based on need for the training and anticipated benefit to the company of the training--there is no limit to the number of outside educational programs or employees that participate in outside educational programs. If approved, GRS&S will pay for the class or conference and for the employees' time while at the educational program. The employee is expected to complete an evaluation form so that the company will know whether the class is recommended for other employees, and often the employee is expected to share information learned with others at a lifelong education class presentation. GRS&S also has a tuition reimbursement plan for employees whose continuing education is in a field related to their work. Tuition reimbursement requires advance approval from the mini-company president and a passing grade.

Apprenticeship Programs

GRS&S offers apprenticeships in four areas. Entry level workers must work at the company for six months before they can apply for one of the apprenticeship areas. GRS&S currently has 10 employees in apprenticeships. The company will also help pay for school or basic skills training if the employee needs this to qualify for the apprenticeship.

Internships for High School Students

Grand Rapids has a Manufacturing Academy for junior and senior high school students. This spring, GRS&S, working with several other area companies from the Manufacturers' Council, started an internship for 50 students from the academy. Next year they will have 75 interns over the course of the year. Along with other members of the Manufacturers' Council, GRS&S subscribes to the belief that high quality technical training is just as honorable and essential as continuing academic education. Members of the Manufacturers' Council determined what skills they needed in employees and then went to the schools and worked with them to develop the necessary programs.

Job Shadow Experience for Children of Employees

A final example of the commitment to training at GRS&S is a program designed to expose students to the potential of different careers available in manufacturing. Younger children (second through fifth grade) spend one-half day at GRS&S and children in sixth though twelfth grade spend a full day, where they learn about the company's history and products and view a video and then are exposed to all departments, with a mentor from each department spending time with them. The students are required to write a one page report on their experience which is submitted to their school and to GRS&S.

Costs and Funding

GRS&S does not track the costs of training because training is viewed as an essential part of operating a world class manufacturing company. GRS&S pays for all employee time

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spent in training, and all workshop fees and tuition. Only books and materials are the responsibility of the employee. The company president estimates that training expenses are about 5 percent of the payroll. GRS&S tries to be alert to outside funding opportunities for training. They have written grant proposals and received training grants from the National Institute for Standards and Technology (NIST) and from the state health department. They have also worked with the local community college to apply for training grants pertaining to computer software.

Participant Views

Discussions were held with two mini-company presidents and, separately, with four GRS&S line employees. Two of the employees were currently in apprenticeship programs at GRS&S.

The employees confirmed the extensive educational support provided by the company. For employee-initiated training requests the primary consideration is whether the training is related to their job at GRS&S. The employee completes a form and the request must be approved by the employee's supervisor.

Employees also participate in problem solving groups, and in leadership and management classes. Participation in leadership classes is based on the recommendation of a supervisor or mini-company officer, and includes apprentices as well as more experienced employees.

Employees reported that the minimum amount of time in training is 1½ hours per week. One employee who is currently cross-training for another job spends about 5 hours per day in cross- training activities. An employee attending night classes spends about 8 to 10 hours per month in school as well as participating in training at work. The employees indicated that the considerable time they devoted to training was not atypical for GRS&S employees. In fact, employees would like to see even more training if there were time. Suggested areas for additional training included: basic math and English, computer/data entry, and motivational classes that "get you thinking differently."

Managers also agreed that time is the major barrier to training. There is a need for even more training because the technology is changing so fast in this industry, and keeping up with the technology leaves less time for general classes.

Outcomes

GRS&S has just started to formally evaluate its internal training programs using an annual employee survey, but there is ongoing monitoring of training activities and

assessment of training needs. Supervisors assess training needs through informal observation, skills charting, and written tests. Some tasks required have "test out" procedures. The skills charting group includes representatives form each mini-company, shipping, and engineering. This group decides what skills get charted and periodically reassesses skills charting requirements. The training coordinator also maintains a log of all external training activities and each employee submits an evaluation form upon completion of an external training activity.

GRS&S monitors key performance indicators of quality, cost, delivery, safety, and morale on a monthly basis to produce a company "report card." The company president believes that the excellent performance of GRS&S in these areas tells him that training is working, and that this information is more useful to him in managing the company than any isolated measure of training costs or cost-benefit of training programs. For example:

- On-time deliveries have increased from 60 percent to 96 percent since 1985.
- Sales have tripled since 1985.
- GRS&S has had only one lost-time accident in eight years.
- The company has implemented an average of 11 ideas per employee.
- On the most recent annual survey (1995), employees were asked to rate whether they liked working for GRS&S on a scale of 1 to 5. The average score was 4.4.
- Employee turnover after the 90 day probation period is three percent.
- The cost of quality has been reduced by 50 percent.

Lessons Learned

The company president and two mini-company officers offered the following lessons and suggestions for others planning employee training programs:

- Management must be involved in designing and supporting the training activities.
- A large training staff is not needed--don't let that be a barrier to providing training. Small companies can do a lot.
- Sharing information with employees about how the company is doing financially and what is happening in the industry helps employees to see the value of training and to want to improve themselves and the performance of the company.
- Self esteem development is important for success in training--some talented and intelligent individuals have a poor self concept, which impedes their willingness and ability to learn. At GRS&S supervisors had to learn to encourage timid workers to come forward for training.
- Take advantage of educational resources available in the community and learn what courses and outside education activities are worthwhile.
- Don't get overwhelmed by an ambitious plan--just start somewhere and take it step by step.

Conclusion

The owner of GRS&S is concerned that the bureaucracy does not always consider the impact on business and on our competitive position in the global marketplace when implementing laws. While he is firmly committed to employer-sponsored training as necessary to high performance, he feels he is paying for education twice when high school graduates do not have the basic skills needed by employers.

GRS&S is active in the community with other organizations to promote training. The Grand Rapids Manufacturer's Council is a group of over 150 local companies, including GRS&S, whose mission is to facilitate implementation of the principles and practices of World Class Manufacturing. The Manufacturer's Council sponsors Performance Place, which provides both general and technical workshops tailored to the needs of the local manufacturing industry. GRS & S sends employees to Performance Place workshops and has collaborated with other members of the Manufacturer's Council to share the costs of bringing outside professors to Grand Rapids to provide training on specialized technical issues. Members of the Manufacturer's Council have also worked with the local community college to develop classes. Arrangements have also been made with a local community college to offer classes on-site at GRS&S.

Contact: Jim Zawacki, President
Grand Rapids Spring & Stamping, Inc.
2070 Waldorf, N.W.
P.O. Box 141397
Grand Rapids, MI 49514-1397
616-453-4491, ext. 108

LUCAS AEROSPACE CARGO SYSTEMS

LUCAS AEROSPACE

Summary

Lucas Varity is a British company that manufactures aerospace and automotive components. Its Jamestown, North Dakota, plant builds cargo systems and aerostructures in a highly automated environment. Employee training is part of the Jamestown plant's philosophy: all employees receive training and can suggest training they want or need; both mandatory and optional training are provided for employees; employees receive tuition reimbursement with no annual limits; departmental training histories record all training employees receive and any outstanding training needs; and merit raises are based on completion of training.

The Jamestown plant works in conjunction with a local vocational school and purchases customized training courses from the school. It also provides some courses on-site using expert employees as instructors.

The Jamestown plant is also moving to a team-based management approach and is training plant employees in team-building, team concepts, and team management, including an outdoor High Ropes course that forces team members to cooperate and trust one another in order to complete difficult tasks.

Description of Company

Lucas Aerospace Cargo Systems located in Jamestown, North Dakota, is a division of Lucas Varity, a British company that produces aerospace and automotive products. Lucas Varity designs, manufactures, and supplies advanced technology systems, products, and services in the world's automotive, diesel engine, and aerospace industries. Customers include Airbus, Bell, Boeing, Hughes, Lockheed Martin, McDonnell Douglas, the U.S. Government, and major airlines around the world.

The Jamestown plant (referred to throughout as Lucas) manufactures 7,000 different end items, parts, and assemblies, including automated cargo loading systems standard on Boeing 747s, 767s, and MD-11's. Other products include food service cartlifts for Boeing 747s, leading edge wing components and other aerostructures, and weapons launching systems. All parts are built to order; nothing is standard or in stock.

The 340 employees at the Jamestown plant include design engineers, manufacturing engineers, and other support staff as well as electrical technicians, assemblers, painters, raw material storekeeper, tool and die makers, production specialists, machinists, maintenance specialists, layout inspectors, and assembly inspectors. The average length of service for

employees is 15 years, and the average age is 44. Pay rates begin at $5.10 for a utility worker or inventory control associate and can increase to $17.81 for an experienced tool and die maker. To receive pay increases, employees must complete required training courses listed in the "Shop Employee Compensation System" manual. For example, assemblers must complete basic and advanced blueprint reading. Machinists must complete basic and advanced blueprint reading and true position dimensioning. For highly skilled workers, individual development programs (IDP) developed by supervisors are required. Training specified in these IDPs must be completed to obtain pay increases.

The plant employs state-of-the-art technology, utilizing machines from machine tool manufacturers located in the United States, Japan, and Germany. The team, self-directed workplace concept is being implemented in the plant and is two to three years old; the cargo systems unit has been organized into five teams. Each team has a PTC, Person to Contact, who serves as the team leader. This position rotates monthly. Coordinators serve as facilitators (or supervisors) to the teams and monitor team progress. Each team has a communication center -- bulletin board -- displaying the team's mission, goals, and personal development plan (described in more detail in the training section).

Purpose of the Training Program

Training for Lucas represents an investment in employees and the technology needed to run an advanced technology workplace. As stated in the Training manual, the company training policy is "to invest in the workforce by providing them with education and training to meet the performance requirements of their jobs, thus optimizing their contribution to the business."

The Training Program

Though Lucas Aerospace is an international company with many plants, training is site-specific. In other words, the training program developed by the Jamestown plant is unique. The parent company does have two required training courses for all employees: ethics training and Putting the Customer First. Both are described in more detail below.

Employee training at Lucas begins with new employees. Each new employee is assigned a mentor and receives on-the-job training for four to six weeks. Each department within the plant has a list of skills that new employees must master during the training period. As one supervisor noted, new employees may spend more of their first year in training than in production.

Training is required by Lucas for all employees or by the different departments for their

employees. Departmental training history records are maintained in each department and list employees' names, the required training courses, and date of completion. A procedures manual governs the maintenance of the records, and each department has a three ring binder dedicated to this purpose. Training may be provided in the classroom (Lucas has a learning center located in the plant) by expert employees, instructors from the local vocational school, or through the use of videos, or they may be provided via on-the-job training. Courses required by the company for all employees include:

- Basic and advanced blueprint reading;
- Geometric tolerancing;
- Ethics, a module which includes 11 courses in ethics general awareness and code of ethics, quality assurance, labor and time charging, marketing integrity, procurement integrity, purchasing and supplier integrity, pricing and truth in negotiations, contract management, drug and alcohol abuse, safety and environmental compliance, and export controls;
- Respirator training;
- Hazardous communication training;
- Confined space training;
- Material handling training; and
- Hearing conservation training.

In addition, each department has job specific training required for positions. For example, the process line department's training requirements include:

- Heat treatment of aluminum and
- Waste treatment of process water.

Members of the five newly created teams receive extensive training in team building. Valley City State University offers High and Low Ropes training -- outdoor team building courses that include climbing a 31 foot telephone pole and scaling walls as a team. Teams also receive on-site, in-house training in business, including courses in:

- Inventory,
- Scrap and rework,
- Scheduling, and
- Arrears management.

Other team building and process training to assist teams to make the transition to the team concept includes:

- Goal setting,
- Conflict resolution,
- Team building, and

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- Conducting a successful interview.

Teams also cross-train members. The team is responsible for all functions, so when one member is absent, other members must be able to fill in. Teams develop a cross-training schedule, and each team member must complete the schedule. Some cross-training occurs between teams as well. Teams agree through consensus to exchange an employee with another team. The exchanges build communication between teams and help in problem-solving.

Supervisors also receive 30 specific management training courses, including:

- Role of supervisor in a total quality environment,
- Effective decision making,
- Achieving workplace collaboration,
- Problem solving,
- Leadership strategies,
- Motivation strategies,
- Making effective presentations, and
- Time management.

All Lucas employees are participating in a required, company-wide course called "Putting Your Customer First" provided by a British consulting firm. The course is two days long, and employees attend in small groups. The course covers topics such as: what is service, developing better relationships, recognizing and controlling stress, non-verbal communication, being assertive, and time management. The consulting firm developed the course, provided each employee a training manual and a workbook, and provided instructors.

In addition to job specific training provided on- and off-site, Lucas offers a tuition reimbursement program for employees. Employees may take any course at an accredited university, and Lucas will reimburse the cost of the course. Lucas does not limit the amount of tuition reimbursement an employee may claim each year. In addition, employees may take any course they like. In 1995, 40 employees took advantage of the tuition reimbursement program; Lucas spent approximately $40,000 in addition to its regular training budget for this program.

Off-site training (except college courses taken under the tuition reimbursement program) is taken half on the employee's own time and half on the company's time. On-site training is provided on company time. Lucas pays all costs associated with training, including 100 percent reimbursement for college courses and required books and fees.

Fees and Costs

The Human Resources Manager has an annual training budget of approximately $120,000, excluding the costs of the tuition reimbursement program which were approximately $40,000 in 1995.

The Training Provider

The James Valley Multi-District Vocational Center is a vocational school for secondary students and serves five high schools in its region. The Center also has an adult education program and through this program serves Lucas employees. The Center has several programs for high school students: machine shop, child care, automotive, business, agriculture, and a high risk day treatment program for youth. Its adult program includes GED and basic skills courses as well as customized training programs for local companies and an adult farm management program that helps 110 family farms to run more efficiently.

The training provided by the Center for Lucas is customized and developed specifically for the plant. Lucas notifies the Center that it needs a particular course, and the Center can usually prepare the course and be ready to begin it in two weeks. It arranges for instructors and provides space (the Center is located near the Lucas plant). Lucas pays a flat rate for courses.

Courses generally last two and a half hours, two days per week for six to eight weeks. Courses are usually offered once a year every other year. The Center offers a certificate of completion but no academic credit for participants.

The Human Resources Manager regularly surveys employees and asks their training needs. When enough requests for a particular course are made, Lucas contacts the Center. Several of the courses provided by the Center for Lucas include:

- blueprint reading,
- PC basics/introduction to computers, and
- job specific software.

A State job training program reimburses the Center for part of the adult program instructor's salary to keep prices down and encourage adults to take classes.

Lucas and the Center have more than a vendor relationship. Lucas often provides the Center with aluminum for its machine shop students to use and internships for tool and die students. The internships last nine weeks, with students spending two hours per day, four days each week at Lucas. Lucas has also hired two of the interns. Since the intern program began, the Center has had more students decide to continue their tool and die making education at a local university.

Outcomes

Lucas employees have performed almost 2 million hours of work without a lost time accident. This outcome is one of Lucas' most visible, and Lucas believes, a result of extensive safety training. Other outcomes include a 99.9 percent approval rating by Boeing based on quality, on-time performance.

Each department maintains a departmental training history which records employees' educational histories and participation in company-provided and outside training. Records are maintained for both professional and factory employees. The training records are used by supervisors to help determine merit pay increases.

Lessons Learned

Lucas' human resources manager had several tips regarding employee training to share with companies considering establishing such programs:

- Pick a winner first. Choose a training program that many employees will talk about and are interested in, such as computer training or training to use a new machine.
- Choose a small group as a pilot. They'll later serve as your goodwill ambassadors. Don't try to train everyone at once.
- Pick the right instructors. Know the instructors, and see them teach in advance if possible (if not, talk to someone who has). Always check their references.
- Know your audience. If your employees are not accustomed to sitting for long periods in a classroom, make your first classroom sessions short. Otherwise employees will become bored and disinterested.
- Good facilities are essential. Provide training at local hotels or conference centers when possible; employees often concentrate better when away from work, and the conference facilities provide all the amenities to make employees feel the training is important -- good facilities, audio-visual equipment, and refreshments.
- Hold training at a local college if possible. It adds prestige and subliminal positive messages that the training is important and valuable.
- Space out the training. Especially for employees who do physical work, it is best to intersperse training with actual work instead of cramming all the training into

a couple of all-day sessions.

- Factory workers are often not accustomed to taking notes. It is important to provide all materials and support materials. If you want trainees to keep all their handouts organized, you should provide a three-ring binder with divider tabs. Also provide all necessary notes. If you want trainees to be familiar with chemical symbols, for example, make a cheat sheet for them.

- Have breaks every hour.

Conclusion

Employee training in both job specific and general skills is expected, encouraged, and part of Lucas' broader mission. Employees, in order to receive merit pay increases, are expected to complete required training. They may also request extra training needed to perform their jobs better.

Lucas is interested not only in improving its own productivity and efficiency through training but in contributing to employee development. The tuition reimbursement program allows employees to take classes or pursue degree programs in a field of their choice. Training is "owned" by both the company and the employees and provides a benefit to both.

Lucas employees are very involved with the community. As the director of the James Valley Multi-District Vocational Center said, "Whenever I go to a community event the Human Resources Manager (of Lucas) is always there." Lucas's Human Resources Manager also serves on the Governor's School-to-Work committee and decided to adopt a local school. Lucas provides student tours, speakers, career materials, and consultants to help teach in particular subject areas. Other employees sponsor sports teams and make donations to community functions.

Contact: William M. MacBride, Human Resources Manager
Lucas Aerospace Flight Structures
2604 Highway 20 North
Jamestown, North Dakota 58401
701-253-3403

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TMI SYSTEMS DESIGN CORPORATION

TMI SYSTEMS DESIGN CORPORATION, INC.

Summary

TMI Systems Design Corporation is a manufacturing company that produces architectural woodwork, including cabinets and shelves, for a variety of institutional customers. In the past five years, TMI has begun re-engineering and creating self-directed work teams in its office. Its employee training program is, in large measure, focused on creating a high-performance workplace. By cross-training employees both in the office and the plant, TMI creates employees able to handle customer concerns and fill in for absent colleagues.

Training at TMI consists largely of structured on-the-job training in specific job skills. TMI created a set of training manuals, written by employees and used to train new employees and those cross-training in other departments.

TMI also offers a tuition reimbursement program, participation in seminars, community college courses, and training provided on-site by expert instructors. In addition, TMI increases the knowledge and expertise of front-line employees by allowing them to travel throughout the U.S. and to foreign countries to visit other high-performance plants and search for new high-technology equipment.

Description of Company

TMI manufactures architectural woodwork for institutional settings such as jails, airports, hospitals, and schools. Their products include cabinets and shelves made from particle board and laminated in a variety of colors. TMI manufactures all products to order and has little inventory and no standard products. Dimensions, style, type of wood, and colors are all variables dependent on the customer's needs. In fact, due to the number of options, there are four trillion possible combinations -- four trillion different cabinets.

TMI employs 280 persons; as many as 350 work during the summer months. Plant employees include: advance equipment operators, small machine operators, material handlers, and product cleaners. Many employees are cross-functional and can work throughout the plant. Most plant jobs have an entry-level salary of $8.00 per hour, and the average salary for plant employees is $10.50. Office staff include engineering and architectural staff, human resources personnel, and management staff. The starting salary for office staff with four year industrial technology degrees is $9.50.

TMI office staff operate in teams designated by region: Southeast, Northeast, and West. Each team is comprised of sales and marketing, design, and architecture staff who are

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responsible for all jobs in their region from estimating cost to actually delivering the product. Members of the teams are also cross-functional and should be able to address all aspects of a customer's problem without "handing it off" to someone else. The team concept has enabled TMI to become more responsive to customers and to control problems more quickly.

TMI's focus on teams and re-engineering the workplace is evident throughout the plant. A large Care Bear with "TMI Cares" emblazoned across it adorns one plant wall, saved from a TMI float in a city parade. Each employee is given a laminated card with TMI's Business Philosophy and General Principles and the Business Mission. The General Principles are:

- All people are good.
- People, workers, management, and company are all the same thing.
- The customer comes first.
- Every employee must contribute to and benefit from the success of the company.
- People have a right to know and a responsibility to understand the essence of business.
- Business will never be any simpler than what it is today.
- Integrity in all that we do.

TMI's business mission is summed up in the statement: It is TMI's mission "to care."

Although TMI products are not high-tech, the production method is. TMI utilizes high-tech computer-controlled machines from Germany, Austria, and Italy and sends its employees to Europe to visit high-tech plants and look for equipment to increase their production capability. TMI considers itself to be in the business of controlling information, not building cabinets. This emphasis is evident in the plant: every employee on the plant floor operates a computer. Office design staff design a job, and the job specifications are downloaded into computers controlling plant machines.

TMI is currently preparing for a change to a client server system in 1997-98. This change, known as the SCORE project, is intended to fully automate the office and plant. TMI instituted a four to five year action plan providing continuous education to prepare employees for the new system. The company considers itself to have a culture of change and realizes that job functions will change through automation to become faster and more efficient. Training helps equip employees for these changes.

Purpose of Training Program

Training for office and plant employees is viewed by TMI as crucial to its quality focus. For TMI, a basic business practice is to be technologically current. To do that, employees have to be trained in the technology. In the words of the company president, "it is foolish to invest in technology and not invest in the people who run it."

The Training Program

Training at TMI primarily focuses on on-the-job training (OJT) provided by supervisors or well-trained workers for new hires and employees being cross-trained. Because production is tied to the construction cycle, business is cyclical. Instead of laying off workers, TMI uses the off-season to train employees. For example, cross-training includes having office employees work in the plant and plant employees work in the office during the off-season. Plant employees also use the time to swap jobs within their departments. As one employee said, "everybody in my section can do everybody else's job."

Each new plant employee is assigned a mentor. New employees or employees cross-training on a new machine will have a four to six week training period during which an expert operator will provide training. Often, employees spend up to two years assisting an operator and "catching" the finished parts before becoming trained to operate the machine. New office employees spend one to two weeks working in the plant. Employees developed training manuals for use by office staff that formalize the training process and ensure that all trainees receive similar information.

Additional training occurs in a number of ways: TMI encourages training by providing a $400 per year tuition reimbursement. Employees use the funds to attend seminars, community college courses, and other training. Supervisors approve training requests which must be for training at an accredited institution. Employees must complete the course and get a passing grade to qualify for reimbursement. The bulletin boards in the employee lounge contain notices for training programs, such as courses provided by the American Management Association (AMA). Several employees reported taking AMA courses at Dickinson State University, including stress management, dealing with difficult people, negotiating, business math, how to run effective meetings, communication skills, and personal finance. Employees receive a certificate of completion after taking 6 AMA courses. One employee had taken 38 courses, and many others had taken more than the 6 required for a certificate. TMI employees take so many AMA courses that most of the time, according to participants, 75 percent of the 15 to 20 people in the class are TMI employees.

In the 1970s, TMI instituted a policy to keep employees informed of the company's progress and help them take ownership in its financial situation: the company lunch. On one Friday each month, the plant closes and the company buys lunch for its employees. The

company lunch is considered by TMI to be important training and includes presentations on: the state of the company, human resources, company activities, sales and marketing, financial reports, team reports, transportation reports, as well as presentations by dealers, architects, financial planners, and the union. In October or November of each year, the president makes a formal State of the Company address. Employees are paid for the time spent at the lunch, and second shift employees who attend receive overtime pay. A TMI vice president considers the company lunch to be a major contributor to the company's success: to have a high-performance workplace, a company must provide information to its employees.

Training that is directly job-related is encouraged and is not charged to the employee's $400 annual tuition account. Specific training provided by TMI includes:

- seminars on team-building for team members, off-site;
- training on operation of new machinery (manufacturers spend one to two days on-site);
- AutoCAD training, off-site, provided by a certified instructor hired by TMI (the local community college did not have the expertise to provide the training);
- safety training for safety committee members;
- seminar on contract law for office staff;
- maintenance and safety training for plant manager and maintenance staff;
- training manuals written and developed by teams for their members; and
- TQM training for human resources and training staff.

This training is paid for by TMI, and employees participate on company time (courses taken under the tuition reimbursement program are on the employee's time).

TMI employees also travel extensively for training. Employees have traveled to Germany and other countries to visit plants, look at new machines TMI is considering purchasing, and receive training on new machines. Employees also travel extensively around the U.S. for training: TQM training was provided in Minneapolis, and employees have visited California, North Carolina, and other states to receive training on machine operation. TMI regularly sends employees to visit plants operated by its competitors and invites competitors to visit its plant.

Training may be requested by employees or suggested by supervisors; employees and supervisors often read the same industry periodicals and know about the same training opportunities.

To encourage computer learning at home, TMI also offers interest-free loans for employees to buy home computers.

Budget

TMI has no annual budget for training; in other words, there is no set maximum for training expenditures. In 1994, TMI spent $13,390 for tuition reimbursement. The company does not, however, determine how much it spends on seminars, employee wages, and travel for training.

Outcomes

In 1994, 141 employees participated in training through the tuition reimbursement program. Of those, 57 percent were plant employees, and 43 percent were office employees.

Time spent in training is not tracked; however, management estimates that employees spend 30-40 hours in training per year.

Management uses several indicators to judge the success of employee training and the company's emphasis on becoming a high-performance workplace:

- number of cabinets produced per 100 direct or indirect labor hours;
- gross sales per employee;
- back charges (warranty work); and
- customer complaints.

Back charges decreased in the first quarter of 1996 to $13,000 from $27,000 in the first quarter of 1995 (1995, in turn, was an improvement over 1994).

Lessons Learned

TMI president noted several lessons regarding employee training and government programs to encourage such training:

- The market drives training more than government incentives. In the manufacturing industry, whether the product is high or low tech, companies have to run a high technology process to be successful. Employees must be trained and educated to run the process. So, if employees do not arrive with the necessary skills, the company must train them.

- The Investment Tax Credit provided the most incentive to TMI of any government program. It encouraged TMI's early investment in technology before the technology could be cost-justified.

- Companies need capital to buy technology and train the workforce. High technology companies must do business from a position of financial stability.

- Companies and their employees should get out, travel, read books about management and high performance workplaces, become involved in the local community, and participate in trade associations. These activities are vital to a company's success.

Conclusion

TMI's employee training is oriented around quality issues for the company: trained employees will be more responsive to customers. TMI also places a high value on sharing information with employees and believes that workers on the front line are best able to make decisions regarding their work but need all information available in order to make good decisions. Four to five years ago, only managers and supervisors were allowed to travel to visit other plants or meet with customers. Now, front line employees travel to foreign countries and regularly meet and speak with customers whose jobs they work on. For TMI, adequately trained employees are crucial to the high-performance workplace.

TMI's training is largely job-specific (on-the-job training in machine operation, for example); however, TMI takes an interest in employee personal and professional development through its tuition reimbursement program and encouragement of continued education.

TMI begins with a well-educated workforce: 95 percent of high school students in North Dakota graduate. A majority of those go on to pursue higher education. According to TMI's president, a high school diploma in North Dakota "means something," and few employees need remedial education in basic skills. Instead, they are ready to be trained in higher-level skills needed on the job.

In addition to taking an interest in its own employees, TMI maintains involvement in the local community. Involvement includes: bringing high school teachers into TMI for two months to see the manufacturing process first hand, participating as a member of the local Manufacturing Roundtable, and participating in community activities such as building a TMI float for a city parade.

Contact: Cal Kolling, Human Resources Manager
TMI Systems Design Corporation
50 South Third Avenue West
Dickinson, North Dakota 58601-5595
701-225-6716

UNISYS BISMARCK SHARED SERVICES CENTER

UNISYS CORPORATION BISMARCK SHARED SERVICES CENTER

Summary

An international information management company, Unisys Corporation provides information solutions -- hardware, management consulting services, technical assistance -- to customers that include governments, airlines, financial services companies, and health care companies. Unisys' Bismarck Shared Services Center (the Center) was established in 1994 as a centralized location for all U.S. disbursement activities, including travel reimbursement and accounts payable. With two-thirds of Unisys' original disbursement staff, the Center has cut turnaround time for a disbursement to two to three days through a combination of employee training and a self-directed workplace approach to management.

Unisys transferred only two employees to the Bismarck Center. The company hired 130 employees from the local area and spent most of its first year in operation providing technical skills training. Early hires were sent to Detroit and Minneapolis for operations training; they then served as mentors to later hires who received on-the-job training. The Center is currently providing all employees with 40 hours of team-building training, including modules in building trust, participating in meetings, making presentations, and handling conflicts.

Description of the Company

Unisys Corporation is one of the world's largest providers of information services providing a full range of information management services, including hardware and software development, management consulting services, and technical assistance. Unisys is the third largest holder of U.S. patents in information technology, handles a third of all airline reservations in Europe, and helps manage one of every three Medicaid claims (300 million claims).

Unisys has $6 billion in annual sales, 37,000 employees, and 50,000 clients worldwide. Clients include airlines, government agencies, financial services companies, and health care providers. Forty percent of revenues come from North America, 34 percent from Europe, 17 percent from Asia, and nine percent from Latin America.

In 1992, Unisys conducted a benchmarking study and found that most efficient companies had a single disbursement center. Also in 1992, Unisys faced financial difficulties, and the Chief Financial Officer ordered a 40 percent reduction in finance costs. To save the 40 percent, Unisys opted to establish a centralized finance center.

In response to Unisys' emphasis on cost-cutting, the Bismarck Shared Services Center

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opened in 1994. The Center provides support to all U.S. operations and controls all U.S. disbursements by the company. The Center is a centralized location for some of Unisys' financial services, including accounts payable, fixed asset management, commission accounting, travel reimbursement, and resume imaging. The Center has $10 million in annual revenue. Its customers include heads of Unisys business units, Unisys travelers and other employees, and vendors. The Center has begun taking outside clients and provides travel reimbursement services for the Loral Corporation as well. Each year, the Center disburses $2.5 billion for Unisys and $.5 billion for Loral.

The Center was established in only 12 months and moved all operations from its temporary location in Bismarck to its newly constructed building in 23 hours. All but two employees were hired from the local area. Managers of the Center decided to take the opportunity of a new workforce to institute a self-directed team management approach. The Center has 10 teams of 10 to 15 persons. Teams are organized around functions: there is a team for government travel reimbursement and a team for resume scanning, for example.

The Bismarck Shared Services Center provides centralized financial operations and improved efficiency to a decentralized company. Center managers noted that a centralized services center is able to implement best practices, can manage the administrative process end to end, and is not owned by one organization. The shared services center is "as close as you can get" to outsourcing internally. In recognition of its best practices efforts, the Center was a finalist for the Reach award for re-engineering excellence.

The Center is the only Unisys division currently pursuing the team approach to management. It has instituted some innovative practices, including paying bonuses of 10 percent of quarterly wages to teams that meet their quarterly goals, and bonuses of 10 percent for the entire company if annual goals are met. The Center took these bonuses into account when determining wages, and set employees wages at 90 percent of the market rate (the average wage is $8.84).

The Center's team principles include:

- Teams have complete responsibility for providing service to customers.
- Everyone should be able to perform all tasks (rotate through jobs).
- Separate responsibility is maintained for good audit control.
- Team size should be eight to 12 (though their teams are currently 10 to 15).
- Teams should not be organized around specialists.

The self-directed team concept moves from management in which the supervisor makes all decisions to management in which the team makes most decisions and handles inputs, outputs, dealing with customers, and scheduling team members' time. The team leader or coach helps with personnel functions and acts as a coach in decision-making.

Team leadership is based on a star point concept. Teams assign one person to each of seven positions that rotate every six months. Each position has an understudy who rotates in when the leader rotates out. The star points are:

- Customer representative
- Communicator
- Administration/Scheduling
- Finance
- Special projects coordinator
- Training
- Cruise director (human resources).

As much as 20 percent of employee time is spent in meetings or training. The Center believes by increasing the knowledge of everyone, fewer mistakes and problems occur, offsetting any productivity loss with an increase in efficiency. Unisys expects that the self-directed work teams will result in 1) empowered and accountable teams that exceed customer expectations and 2) employee satisfaction.

Purpose of the Training Program

Training at Unisys has two primary purposes: training new workers in job-specific skills and preparing all employees to work together in a team-based environment.

The Training Program

Employee training at the Center has three primary focuses:

- new employee orientation and training -- one week of orientation and one to five weeks of on-the-job training,
- cross-training in job specific skills -- rotation through jobs within a team so that team members learn all team functions, and
- team building training -- an off-the-shelf, 40 hour curriculum in team building concepts.

The first year of operation focused on job-specific skills training. The Center sent many employees to study Unisys operations in Minneapolis or Detroit. Later hires were trained through a one- to five-week training period of on-the-job training with a mentor (an employee hired earlier who received extensive job specific training).

In addition, new employees receive a week-long orientation that includes formal classroom computer training in Microsoft Windows, Word, and Excel. The orientation also

incorporates some team training and a Total Quality Management overview to prepare employees for work in a team setting.

Teams also provide needed training for new and incumbent employees. Teams, along with their training star point, decide what types of training are needed by team members. The teams can then request the training from their coaches. Often the training is provided by expert employees within the team or from another team. The training star points are responsible for the training needs of the team, and the training star points are forming a team to address the training needs of the Center as a whole.

Specific team training is extensive and is provided by a private consultant with organizational management and quality team experience. Ten courses are offered; they last four hours each and are taught in the Center. The courses are:

- Making the Difference,
- Building Trust,
- Participating in Meetings,
- Giving and Receiving Feedback,
- Applying Team Factors,
- Making Presentations,
- Handling Conflict,
- Leading Effective Meetings,
- Valuing Differences,
- Implementing Improvement,
- Communicating with Others, and
- Reaching Agreement.

Teams go through the training separately, with all team members participating in the training, to work on team building skills. The training course takes 40 hours and is offered in four hour segments.

Curriculum

The team training curriculum is an off-the-shelf, standard curriculum purchased from Development Dimensions International (DDI). DDI's "High Involvement Workforce" curriculum includes many different modules; after surveying team members about their training needs, the Center purchased 10 modules. The instructor uses the videos, skill practices, and student workbooks provided by DDI to introduce the topic, give an example of an improper technique (through video, role-playing, or an activity), give an example of a proper technique, and lead students through a hands-on skill practice utilizing the proper technique. The first modules focus on the personal and social aspects of team building and seek to build a climate of trust for later modules.

Budget

The 1994 total expenditure for training was $603,000 -- an average of $7,500 per employee. The total includes $117,000 for new employee orientation provided to 130 persons -- $57,000 for the course and $60,000 in nonproductivity costs during the training.

The team building course cost about $60,000, which included $4,500 for each module, expenses, and the trainer's time. Employees do not pay a fee for their training.

The Training Provider

Job specific skills training for new and incumbent employees is generally provided by in-house staff. The one-week new employee orientation is provided by a consortium of local colleges, including Bismarck State College and the University of Mary, a relationship that Unisys built on when it began the team specific training.

Unisys bought an off-the-shelf team building curriculum from Development Dimensions International and paid to have a consultant from Bismarck State College certified as a trainer for the curriculum. The curriculum price includes the training for the trainer and workbooks and handouts for students. The trainer, formerly Director of Quality for Bismarck State College, is now a private consultant to local businesses on quality issues. He supplements the curriculum with his own experience in organizational management and psychology.

Participant Views

Eight employees who had participated in new employee and team building training shared their experiences with training and the team-based management concept. All were training star points for their teams.

Training participants believed their training -- both the new employee and team training -- to be valuable. They noted that many people are resistant to the idea of working in teams, and the team training (as well as the star point concept which encourages all members of the team to take leadership positions) provides knowledge about the team idea and encourages participation. Many of the training participants expressed ambivalent views about the training. Most agreed that it was difficult to balance work and training with 15 to 20 percent of each week spent in training or meetings. However, many wanted additional training opportunities. Several wanted the Center to offer a tuition reimbursement program and said they would take business courses that would help in their jobs if tuition reimbursement were available. Others noted that the technical training received by employees was inconsistent: some early hires were sent to Minneapolis or Detroit for days or weeks of training in Unisys systems. Later hires often received only a few days of on-the-job training and felt that they needed additional

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training. Training participants indicated these additional training needs: systems training in Oracle and CorMap; communications between teams; software training in Microsoft Word, Excel, and PowerPoint that is hands-on rather than theoretical; and the opportunity to take business classes at local colleges. Several of the employees also indicated that coaches should attend employee training so that they will know what has been learned.

Outcomes

Team coaches noted these training outcomes:

- Increase in productivity -- turnaround time down to two to three days;
- Fewer employees -- the Center now operates with two-thirds of Unisys' previous disbursement staff;
- Decrease from 100 disbursement sites to one;
- Improvements in customer surveys;
- Thank you letters from customers, for the first time; and
- Ability to continue functioning during employee absences due to cross-training.

Lessons Learned

Managers at the Shared Services Center noted these training lessons:

- Tailor training to the needs of individuals. In their orientation course, several people were bored with the Introduction to Word module and needed more advanced options.

- "Get it done, and do it fast." In order to do this, the Center relied on Bismarck State College and the University of Mary to develop the orientation curriculum and purchased an off-the-shelf standard curriculum for team training.

- Focus on building a cultural climate for training first. Change is uncomfortable for most people, and instituting a training program constitutes a potentially threatening change. By building an organizational culture that recognizes the value of training, your company can set the foundation for a successful training program.

- Consider using outside experts as trainers. Outside trainers are often more highly respected and seen as having more expertise than someone inside the organization that people work with every day.

Conclusion

New employee training is an important feature of the Bismarck Shared Services Center's employee training program. The number of employees trained alone is impressive: 130 were trained in 1994, and managers anticipate that an additional 150 will be hired and trained in 1996. With only two employees transferred to Bismarck from Unisys, the Center relied on local workers to fill positions and provided extensive orientation and technical training to new hires.

The team concept is important to the Center and its operations and incumbent employee training. Teams, along with their training star points, decide what training is needed by the team and how it will be provided. Training participants noted that training requests by an individual would be denied if the team as a whole couldn't benefit from the training (individuals rather than teams can receive training but must demonstrate that the training will be beneficial to the team rather than the individual's personal development).

The use of standard curricula and local colleges to provide training lowers costs for the Center. Since maximizing resources is a goal of the Center and one of the reasons it was established, utilizing the same principle in employee training makes sense.

Contact: Thomas Severin, General Manager
Unisys Corporation Bismarck Shared Services Center
1133 College Drive
P.O. Box 5551
Bismarck, North Dakota 58502-5551
701-221-7070